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ANNUAL REPORTS, WAR DEPARTMENT
FISCAL YEAR ENDED JUNE 30, 1911

REPORT OF THE
U.S. PHILIPPINE COMMISSION

TO THE SECRETARY OF WAR

1911

(IN ONE PART)



WASHINGTON
GOVERNMENT PRINTING OFFICE
1912

Pg
262
C734
911

MAR 8 1912

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ANNUAL REPORT OF THE PHILIPPINE COMMISSION TO THE SECRETARY OF WAR.

MANILA, *November 7, 1911.*

SIR: The Philippine Commission has the honor to submit its twelfth annual report covering the fiscal year ended June 30, 1911.

LEGISLATION.

EXCLUSIVE LEGISLATIVE JURISDICTION OF THE COMMISSION.

Acting within its exclusive general legislative jurisdiction over all that part of the Philippine Islands inhabited by Moros or other non-Christian tribes, the Commission enacted during the fiscal year 21 acts, of which the following are the more important:

An act authorizing the grantee of the franchise to install, operate, and maintain an electric light, power, and water supply system in the municipality of Zamboanga, Moro Province, Philippine Islands.

An act to provide for the granting of a franchise for the use of the waters of the Agno River in the subprovince of Benguet, Mountain Province, for the generation of power for the maintenance of an electric light, heat, and power system and the supply of such light, heat, and power in and to the city of Baguio and in the subprovince of Benguet, Mountain Province.

An act establishing a sales agency for articles manufactured in the schools in the provinces inhabited by Moros and other non-Christian tribes and by the people of said provinces, and appropriating money for the construction of a suitable building for the same, and for other purposes.

AS A CHAMBER OF THE PHILIPPINE LEGISLATURE.

The first regular session of the Second Philippine Legislature convened on October 17, 1910, and continued in session until and including February 3, 1911. This was the only session of the Legislature held during the fiscal year.

During this session there originated in the Commission as a Chamber of the Philippine Legislature 63 bills, of which 48 were passed by the Commission and sent to the Assembly. During the same period there were considered by the Commission 98 bills, which originated in the Assembly. The total number of bills finally agreed upon by both Houses and enacted into law was 50, of which 17 originated in the Commission and 33 in the Assembly. Of these laws the following are the more important:

An act authorizing the municipality of Cebu, Province of Cebu, to incur an indebtedness of one hundred and twenty-five thousand dollars in money of the United States, and to issue bonds covering the amount of said indebtedness, payable in gold coin of the United States, for the purpose of providing funds

to construct necessary sewer and drainage facilities to secure a sufficient supply of water and necessary buildings for primary public schools in said municipality, pursuant to the provisions of sections sixty-six, sixty-seven, sixty-eight, and sixty-nine of the act of Congress approved July first, nineteen hundred and two, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," as amended by the act approved February sixth, nineteen hundred and five, entitled "An act to amend an act approved July first, nineteen hundred and two, entitled 'An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes,' and to amend an act approved March eighth, nineteen hundred and two, entitled 'An act temporarily to provide revenue for the Philippine Islands, and for other purposes,' and to amend an act approved March second, nineteen hundred and three, entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' and to provide for the more efficient administration of civil government in the Philippine Islands, and for other purposes."

An act to amend act numbered eighteen hundred and sixty-five by increasing to sixty per centum of the value of the mortgaged property the amount which may be loaned by the Agricultural Bank.

An act to provide for an exposition of Philippine products in the city of Manila, to appropriate funds therefor, and for other purposes.

An act providing for an appropriation of one million pesos for the construction of schools in the municipalities and barrios of the Philippine Islands under certain conditions.

An act amending paragraph numbered five of article five hundred and three, and articles five hundred and eight, five hundred and twelve, and five hundred and twenty of the penal code, by imposing a severer penalty for the crimes of robbery and theft of large cattle.

An act entitled "The negotiable instruments law."

An act authorizing the granting on certain conditions of a franchise to construct, maintain, and operate a street railway in the municipality of Cebu.

An act amending Chapter VI of act numbered one hundred and thirty-six, entitled "An act providing for the organization of courts in the Philippine Islands," by prescribing the manner in which notaries public shall keep their official registers, and providing for supervision over notaries public and for the final disposition of notaries' registers, amending section seven hundred and ninety-one of act numbered one hundred and ninety, known as the "Code of civil procedure," so as to increase the fees which notaries public may collect in certain cases, and for other purposes.

An act to provide for the granting of a franchise to construct, maintain, and operate gas systems for the furnishing of gas for heat, lighting, and power in the city of Manila and the province of Rizal, Philippine Islands.

An act amending certain sections of acts numbered one hundred and thirty-six, one hundred and ninety, fourteen hundred and fifty, sixteen hundred and twenty-seven, introducing certain reforms in the justice of the peace courts, making an appropriation for the purpose thereof, and for other purposes.

An act to provide that all elective provincial and municipal offices shall be for four years; to prohibit a second reelection to the same; to change the date of the general elections; to amend certain sections of act numbered fifteen hundred and eighty-two, known as "The election law," and for other purposes.

An act to relieve the provinces by appropriating the sum of one million pesos to be used to assist them in the construction of roads and bridges and to define the relation between the provinces, the bureau of public works, and the insular treasury in regard to the settlement of mutual accounts.

An act appropriating the sum of fifty thousand pesos, or so much thereof as may be necessary, to be expended subject to the approval of the Governor General, together with an equal amount to be contributed by private persons interested in the development of the Philippine Islands, to advertise in the United States Philippine products and interests, and for other purposes.

An act making appropriations for public works.

The following are some of the important matters considered by the Legislature, but which failed of final passage:

An act to provide a system for the appropriation of public waters, and for the determining of existing rights thereto; for the public registration of all

water rights; for the creation and use of water power; for investigations for and the construction, maintenance, and operation of irrigation systems by the Government of the Philippine Islands; for the construction, maintenance, and operation of irrigation systems by private persons; for the inspection and regulation of all works pertaining to the use of water; and providing penalties for its violation; and for other purposes.

An act amending articles 56, 57, 106, 250, 252, 300, 301, 303, and 316 of the penal code, by making certain changes in the penalties.

An act providing certain special proceedings for the settlement and adjudication of land titles.

An act to provide for the collection and apportionment between the insular, provincial, and municipal governments of taxes paid by the grantees of franchises, their lessees, successors, or assigns, on the gross earnings or receipts from the business covered by the law granting the franchise or any amendment thereof.

An act providing for the investment of the accretions to the gold-standard fund in loans to the provinces and municipalities for certain purposes, in securities authorized for the investment of funds of the Postal Savings Bank, and in interest-bearing bonds to assist in the construction of sugar centrals, and for other purposes.

A uniform warehouse-receipts bill.

An act prohibiting slavery, involuntary servitude, peonage, or the sale of human beings in the Philippine Islands.

An act establishing and defining a legal rate of interest, and declaring the effect of usury upon contracts.

An act defining habitual criminals and fixing the punishment for the same.

An act to provide for a locust board, to specify the persons liable for service in the control of locusts, to provide a system for the extermination of the locust pest, and for other purposes.

An act to prevent the introduction into the Philippine Islands of dangerous communicable animal diseases, to prevent the spread of such diseases within the Philippine Islands, to define the duties of officials charged with the control of such diseases, and for other purposes.

An act making appropriations for sundry expenses of the insular government for the fiscal year ending June 30, 1912, and other designated periods.

The Legislature having failed to pass the appropriations for the current expenses of the Government for the fiscal year 1912, section 7 of the act of Congress of July 1, 1902, became operative and the expenses necessary for the support of government are being paid in accordance with the provisions of said section.

RESIDENT COMMISSIONERS.

The two Houses were unable to come to an agreement in the matter of the election of Resident Commissioners to the United States for the term beginning March 4, 1911, as then provided by law. This failure, however, was remedied by the act of Congress of February 15, 1911, providing that the present Resident Commissioners shall hold office until their successors are elected and qualified.

COMMERCIAL DEVELOPMENT.

The second year of experience with the Payne bill has demonstrated beyond a doubt its importance to the Philippine Islands, and each succeeding year will prove the cumulative value which the freedom of the markets of the United States is to the Philippine people. The increase in the price of sugar and tobacco and the constant improvement in the market for copra have caused the present prosperity in many Provinces, in which the cry of hard times can no longer be raised. This is especially so in Occidental Negros,

Iloilo, and Tayabas. The condition of the hemp industry is not satisfactory, owing to the continued low price of that product.

There has been a determined and systematic effort to injure the tobacco industry of the Philippine Islands in the United States, and this effort has met with a partial success, inasmuch as the exports to the United States have suffered a considerable falling off. It is believed that the inherent merit of Philippine tobacco and the quality of its cigars and cigarettes thus sought to be injured artificially will win back whatever has been lost, and that the tobacco industry will grow until it presently reaches the limits set by law for importations from these islands into the United States.

In the matter of revenues, there was a net increase in the customs receipts during the year of ₱835,019.90 over the previous year—a very healthy sign. The internal-revenue collections have also increased in the sum of ₱1,688,303.08, equal to 9.6 per cent, of which the sum of ₱1,056,154.60 is due to certain increases in tax rates and receipts from new sources, and the sum of ₱627,148.48 is due to improved business conditions in the islands. Of this increase the insular Government's share is ₱1,192,946.14. It is by no means certain that the customs receipts will continue as high as they have been in the past two or three years. The merchants are importing more and more from the free markets of the United States, and it is only the fact that increased prices have increased the purchasing power of the people which has held the customs up as high as they now are.

EVIDENCE OF COMMERCIAL AND FINANCIAL ACTIVITY.

The increase in the trade with the United States in the last three years is shown by the following figures:

1909	₱29,895,000
1910	59,183,832
1911	73,265,410

Instead of falling off, the importations from Europe and other countries than the United States increased the first year since the passage of the Payne bill from ₱46,201,302 to ₱52,571,594 and the second year from ₱52,571,594 to ₱60,060,598, an increase of over ₱20,000,000 in two years; the internal-revenue tax of one-third of 1 per cent on business transactions increased the first year from ₱1,263,755 to ₱1,524,403 and the second year from ₱1,524,403 to ₱1,771,822. This shows an increase in business of ₱232,000,000 in two years, or, counting also exports and all trade with the United States, a total increase in both business and trade of ₱320,000,000. While this is by no means what it is hoped will come later, it indicates a marked improvement in trade, and better times.

FINANCES.

The surplus at the beginning of the fiscal year 1911 was ₱3,870,458.52. This year, however, the reserve has been permitted to fall off to about ₱1,000,000. This has been done because the islands were in urgent need of public works, and it has been found that public works could not be undertaken until plans and studies had been made and a considerable lapse of time had passed after the appropriation was made before expenditures could be made; thus we have a sum of about ₱6,000,000 appropriated but not yet spent. Under the

provisions of Act No. 1902 the power is given the Governor General to cancel these appropriations and return to the treasury any amount which is deemed to be necessary for the maintenance of the reserve. Therefore, during the present fiscal year, it will be necessary to spend money only on those public works previously appropriated for and allow the reserve to accumulate or find some other way of replenishing the reserve. It is to be noted that the gross appropriations for public works payable from revenue of the fiscal year 1912 reached the large sum of ₱6, 227,000, which is more than has been available or could reasonably be expected to be available at the present time. The only safeguard in making the appropriation lay in the fact that most of this money could not be spent until released by the Governor General.

It is thought imperative that a large amount of the public works and permanent improvements projected, especially the continuation of the construction of roads, and the building of bridges and schools in the Provinces, be continued to completion. Delay would result in breaking up the organization and in the probable loss of competent and valuable men whom we might not be able to obtain at a later time.

In the opinion of good judges, both here and in Washington, the gold-standard fund has now reached an amount larger than is necessary for the protection of the currency, and legislation is proposed fixing the total of the gold-standard fund at 35 per cent of the money of the Government of the Philippine Islands in circulation and available for that purpose, which would make the fund at the present time about ₱18,000,000, and authorizing the deposit of accretions in excess of such amount in the treasury as a miscellaneous receipt available for current appropriation. Fixing the sum of this amount and authorizing the deposit of the excess in the treasury would result in increasing the available cash by ₱2,500,000.

The following is a statement of the receipts and expenditures for the fiscal year 1911, and also a statement of the resources at the beginning and end of the year:

Resources, July 1, 1910:

Cash on hand available for appropriation.....	₱3, 870, 458. 52
Cash on hand already appropriated.....	8, 919, 128. 60
Cash on hand appropriated from proceeds bond sale.....	1, 218, 981. 11
Supplies on hand.....	5, 510, 862. 15
	<u>19, 519, 430. 38</u>

Revenues and receipts:

Customs	16, 544, 795. 56
Internal revenue.....	8, 269, 752. 12
All other receipts.....	1, 351, 856. 29
	<u>26, 166, 403. 97</u>

Expenditures:

Current expenses	17, 471, 279. 08
Fixed charges	3, 218, 798. 03
Public works:	
From revenues.....	7, 236, 269. 95
From bond funds.....	517, 404. 03
Other capital expenditures.....	11, 880. 82
	<u>28, 505, 721. 41</u>

Resources, June 30, 1911:

Cash on hand available for appropriation.....	P447, 332. 37	
Appropriated from funds, fiscal year 1911, for permanent improvements, not yet released by governor general.....	643, 000. 00	1, 090, 332. 37
Appropriated from revenue and available.....		9, 877, 431. 34
Cash on hand appropriated from proceeds bond sale.....		701, 487. 08
Supplies on hand.....		5, 510, 862. 15
		<hr/> 17, 180, 112. 94

PEACE AND ORDER.

We are glad to report that the tranquillity which reigned throughout the islands at the time of our last report remains undisturbed.

In view of this condition of peace it has been considered safe to modify somewhat the severity of the so-called brigandage law, which has been accomplished by act No. 2036.

RAILROADS.

Railroad construction has progressed steadily during the year. The Philippine Railway Co. have in a large measure completed their work. The total mileage for which immediate construction is expected is now in operation and showing handsome increases. The line in Panay has shown its peculiar importance, as the country which it traverses was almost abandoned, but is now being planted with various crops, particularly sugar.

The Manila Railroad Co., operating on the island of Luzon exclusively, is rapidly pushing the construction of its southern branches. At the present writing the line has just reached the town of Batangas, the town of Tiaong in Tayabas, and almost to the town of Magdalena in La Laguna. The sections opened up have proved unexpectedly productive, and the business of the railroad has been immediate. The Province of Batangas shipped out 10,000 tons of oranges the first year that the railroad went in. The unguaranteed section of the line is being pushed rapidly to the north and is now in the town of Aringay. Surveys have progressed rapidly, and the railroad has found a satisfactory line at reasonable grade to the city of Baguio.

In the main, the railroad situation looks encouraging, and the stimulus given to industry and the additional activity and progress among the people benefited has justified the Government in the assistance which it has given in the matter of inducing the construction of railroads.

JUSTICE.

Matters have progressed steadily in the administration of justice. The eleventh and twelfth judicial districts as formerly constituted have been rearranged so as to constitute the Province of Cebu a separate judicial district and to create one new judicial district.

Great improvement has been made in the justice of the peace system of the islands, the justices having been placed on a salary instead of a fee basis, their qualifications raised, and their jurisdiction, especially in provincial capitals, enlarged. Justices of the peace now have to pass a satisfactory examination, and for appointment as a justice of the peace in a provincial capital the applicant must be a duly qualified attorney.

LAND REGISTRATION.

At the present time one of the most important problems of the Government of the Philippine Islands is one which is commanding the attention of many older governments in various parts of the world—namely, the early and adequate registration of lands at moderate expense to enable the people to rest secure in their titles, to know definitely their boundaries, to be able to give good title when they sell and thus reap full value, and, further, to enable them to borrow money, which they are not able to do unless the loaning agency, whether an individual, bank, or other institution, is certain of the security for the loan:

In order to try the effect, the policy of general cadastral surveys was tentatively begun. The region selected for the first effort was the town of Asingan, in the Province of Pangasinan, this section being included in the area proposed for one of the irrigation projects about to be undertaken. Great care was taken to prepare the minds of the people for this measure; the governor of the Province, the delegate for that district in the Assembly, one of the American judges of the court of land registration, and an ex-governor of the Province were sent to that region to explain the matter to the people. A Filipino lawyer was selected to assist the landowners in preparing their cases and submitting them without charge. The people accepted the plan with enthusiasm and gave every assistance.

In October, 1910, one of the judges of the court of land registration held a three-weeks' session at Asingan and disposed of 906 cases, involving an area of 604 hectares, at a net cost of ₱7.50 per parcel.

In order to lighten the burden of the landowners, the bureau of lands was authorized to collect the cost assessed against the property owners in five annual installments.

The news of this measure passed about and created a very favorable impression. A second and third series of surveys, involving 728 lots in Binalonan and 675 in Asingan, have been completed, and another session of the court will be held shortly to settle title to these cases.

There are now held some 2,250,000 parcels of land in the islands, but title to less than 9,000 parcels has been settled by decree of the court of land registration. It is probable that more land is taken up, occupied, and cultivated by individuals each year than is registered, so that in actual number of parcels occupied without title the country is going back rather than ahead. With the vast area of unoccupied lands, and a population which, owing to improved sanitary measures and better conditions of living, will undoubtedly increase more and more rapidly in the future, unless some masterly measure is taken the matter is likely to drift along and each succeeding year become more and more difficult to control. A bill was presented during the last session of the Legislature to accomplish this purpose, but the two Houses were unable to come to an agreement. It will, however, be brought up again during the session of 1911-12.

HEALTH.

In the matter of the public health, conditions are generally very satisfactory. Chlorea has been a lesser menace than during any

previous year since American occupation, and no other dangerous epidemic has gained headway in the islands. The recent discoveries in regard to the effect of polished rice in the matter of beriberi have enabled the Government to very greatly reduce that disease, and it has wholly disappeared in the Government institutions, such as prisons, the leper colony, and the asylums.

EDUCATION.

The number of children enrolled in the public schools is given as 610,493, while the average attendance during the last school year was 355,722, an increase of 18,415 over that of the year preceding. At the end of the year there were 35 high, 245 intermediate, and 4,121 primary schools. There were 6 arts and trades schools, 23 manual-training shops, 1 normal school, 3 agricultural schools, and 1 commercial school. There were employed in this work 9,086 teachers.

During the past fiscal year the University of the Philippines has been organized in its definite form and now includes the following colleges: College of Liberal Arts, College of Medicine and Surgery, College of Agriculture, College of Veterinary Science, College of Law, College of Engineering, and the School of Fine Arts.

The total registration of students in the various departments in August, 1911, was 1,220.

That the Filipino people appreciate the work which the university is doing is shown in a remarkable degree by the fact that in the United States it is estimated that from 20 to 30 per cent of graduates of recognized high schools afterwards attend some one of the colleges of the country. Of the graduates of the high schools of the Philippines in 1911 alone, no less than 57 per cent entered this university. If this ratio remains more or less constant our entering classes will number in a very few years from 400 to 600 students.

PHILIPPINE CONSTABULARY.

The steady improvement in the efficiency of the constabulary, which has been noticeable ever since its organization, has continued during the year, and its sphere of usefulness is increasing to include much service for other departments of the Government, which must have outside assistance on account of shortages of men in their own organizations.

Frequent calls from the bureaus of health and agriculture to perform quarantine duty have been met, although the detailing of men for this purpose has considerably reduced an already inadequate force available for ordinary constabulary duties. Assistance has been rendered the bureau of health in quarantine work in 22 Provinces, and quarantine guards have been maintained to aid the bureau of agriculture in 26 Provinces of the archipelago during the year.

Much arduous service was performed by the corps in the Province of Batangas on account of the eruption of Taal Volcano on January 30, 1911. All the officers and men who could possibly be spared from posts on the island of Luzon were rushed to the scene of disaster, and at the end of the year details were still at work relieving distressed inhabitants, distributing building materials to enable them to reconstruct their homes, and performing other service of a similar nature.

The Commission respectfully calls attention to the remarks contained in its last annual report with reference to the proposed amalgamation of the constabulary and scouts. Such action we believe is highly desirable and merits serious consideration.

RECOMMENDATIONS.

The Commission wishes to make the following recommendations, most of which have been repeatedly urged in previous reports:

BONDED INDEBTEDNESS.

First. That the Philippine Legislature be empowered to authorize the issuance of \$15,000,000 worth of bonds, to be used for public works, permanent improvements, and cadastral surveys, with the provision that not more than \$2,500,000 thereof shall be sold in any one year.

The entire bonded indebtedness of the Philippine Islands is \$12,000,000, which gives a per capita debt of \$1.50 and a per capita interest payment of 6 cents. As compared with other countries this is a very small debt, which could be increased to several times its present size, as may be seen by comparison with the following table:

Countries.	Per capita debt.	Per capita interest.
New Zealand.....	\$367.77	\$11.30
Uruguay.....	129.03	7.63
Argentina.....	89.46	4.85
Chile.....	51.34	2.04
Egypt.....	41.10	1.59
Brazil.....	31.29	1.54
Japan.....	26.15	1.55
Cuba.....	23.57	.74
Santo Domingo.....	22.11	1.97
Mexico.....	14.66	.87
United States.....	11.42	.24
Ceylon.....	6.54	.34
Philippine Islands.....	1.50	.06

Several of these countries are no better equipped to maintain the burden of a public debt than the Philippine Islands if the rate of wages paid to unskilled labor may be taken as a fair measure of the earning capacity of the people, as the rate in several of these countries is less than here.

Of the \$12,000,000 of indebtedness of the Philippines at present existing it should be remembered that \$7,000,000 of these bonds were issued to pay for friar lands, 70 per cent of which have already been sold and the proceeds of these sales provide for the payment of the bonds at maturity, so that they can not become a charge upon the general revenues of the islands. The public works outlined in our last annual report, namely, the improvement of roads, bridges, and ports, the construction of public buildings, irrigation works, and artesian wells are of exceeding importance, looking to the prosperity and continued development of the islands. We have already constructed a large amount of such works from current revenues, but the demand for such improvements is so great that it is impossible to meet such demands without the sale of bonds, and it is believed

that the next generation should aid in the construction of these important permanent improvements which will benefit it even more than the present one. We earnestly desire that such authorization be given, leaving the question of the ultimate sale in the hands of the Philippine Legislature.

SCOUTS AND CONSTABULARY.

Second. That Congress, by appropriate legislation, authorize the consolidation of the Philippine Scouts and Constabulary into a single homogeneous native force under control of the insular government, toward the maintenance of which the United States would pay a portion of the money now expended for maintenance of the scout organization.

RAILROAD BONDS.

Third. That Congress amend section 4 of the act of Congress approved February 6, 1905, dealing with the Government guaranty of bonds issued against the construction of railroads in the Philippine Islands so that contracts of guaranty thereby authorized may be executed upon satisfactory proof of the construction of the railroad in sections of not less than 10 continuous kilometers each instead of 20 continuous miles each, as now provided.

The arguments for the following may be found in the report of the Commission for the fiscal year 1909:

EDUCATION.

Fourth. That if Congress is willing to assist, so as to expedite the accomplishment of our ends in the Philippine Islands, an annual appropriation of \$2,000,000 be given, to be added to the present insular appropriation for education.

MINING LAW.

Fifth. That the law in regard to mining be amended in order to admit the filing of more than one mining claim upon a lode by the same individual or corporation to facilitate their taking up claims for placer mines or mines under the water, and to extend the time for development of coal claims to three years.

LAND LAW.

Sixth. That the amount of land which may be acquired, owned, and used for agricultural purposes in the Philippine Islands by any corporation be extended to 6,000 hectares.

HOMESTEADS.

Seventh. That the amount of land allowed to be taken up by any one person under the homestead law be increased from 16 to 50 hectares; that the amount that individuals may purchase from the Government be increased to 500 hectares; and that the amount allowed to be sold or conveyed to corporations or associations of persons be increased from 1,024 hectares to 6,000 hectares.

LAND TITLES.

Eighth. That provision be made for the Government to give free titles under proper restrictions to people who have been in undisputed occupation of land for five years previous to the year 1912.

CONSTRUCTION OF PUBLIC WORKS BY MUNICIPALITIES.

Ninth. That section 66 of the act of Congress of July 1, 1902, as amended, be further amended so as to increase the kinds of public works which may be undertaken by municipalities, and to authorize the Philippine government by general legislation to empower municipalities to incur indebtedness for such purposes.

QUALIFICATIONS OF ELECTORS FOR DELEGATES.

Tenth. That section 7, congressional act July 1, 1902, be amended to provide that qualifications of electors in election of Assembly Delegates shall be the same as those now or hereafter required for municipal electors by Philippine laws, and that no person shall be eligible to election as Assembly Delegate unless he has the qualifications prescribed by law for municipal officers, is a resident of his election district, owes allegiance to the United States, and is 25 years of age.

NATURALIZATION.

Eleventh. That Congress provide a means by which naturalization may be accomplished in the Philippine Islands, either by passing a naturalization law itself or authorizing the Philippine Legislature to deal with the matter.

Information regarding many matters of general interest, such as have been discussed in previous reports of the Commission, will be found in the reports to the Commission of the Governor General and the several secretaries of departments.

Respectfully submitted.

W. CAMERON FORBES,
By GILBERT.
NEWTON W. GILBERT.
DEAN C. WORCESTER.
JOSÉ R. DE LUZURIAGA.
GREGORIO ARANETA.
RAFAEL PALMA.
JUAN SUMULONG.
FRANK A. BRANAGAN.
CHARLES B. ELLIOTT.

To the honorable the SECRETARY OF WAR,
Washington, D. C.

REPORT OF THE GOVERNOR GENERAL.

REPORT OF THE GOVERNOR GENERAL.

MANILA, *November 3, 1911.*

GENTLEMEN: I have the honor to present to the Philippine Commission the following report of the Governor General. This report is for the fiscal year ended June 30, 1911, except as otherwise stated.

The Philippine Islands were privileged to have as a guest the Hon. Jacob M. Dickinson, Secretary of War, during the early part of the fiscal year, an account of whose visit was made in the report of the Philippine Commission for the fiscal year 1910.

THE SECOND PHILIPPINE LEGISLATURE.

The first regular session of the second Legislature was held at Manila, beginning the 16th day of October, 1910, and ending the 3d day of February, 1911, the usual period.

As the opening of the second regular session came at the same time as the writing of this report, I insert here extracts from the message of the Governor General to the Legislature, which cover many of the points usually covered by the annual report of the Governor General, and cover them in sufficient detail for the purposes of this report:

The tranquillity throughout the Philippine Islands noted in my last message remains undisturbed. The recent death of the outlaw Otoy, the last pulajan chief in Samar, has brought it about that scouts which have been constantly maintained in that island may now be withdrawn, and the central district of the island, the progress of which has been somewhat retarded by the presence of this small band of outlaws, is now as free from disturbing influence as is any other portion of the islands.

A recent shortage in the rice supply of the Orient and an unexpected and very sharp rise in the price of rice at the time threatened to menace the tranquillity and good order of the islands. Acting under the advice of a committee of which the secretary of finance and justice was chairman and having representatives of the Government and business community, both Filipino and American, the bureau of supply has purchased a large number of tons of rice, much of which otherwise would have gone to China. The announcement of this action on the part of the Government resulted in an immediate reduction of the price of rice within reasonable limits throughout the islands and has put the main staple food of the islands within reach of everybody, as the price now is not so high but that the people generally can afford to take it. It is possible that this purchase will cause the Government some loss, but the end sought was so desirable that the undersigned feels confident that the action taken was in the best interests of the people.

The effect of the construction of railroads has been more beneficial even than had been hoped. The Manila Railroad Co., during the year, has opened up its lines to the following points: Batangas, on the Manila-Batangas line; San Pablo, on the Luta-Lucena line; Mojon, on the Calamba-Santa Cruz line; Santa Cruz, on the Noveleta-Naic line; and Rosales, on the Paniqui-Tayug line. The opening up of these lines had an almost magical effect in stimulating industry and fostering production: territory in which crops had not been harvested for years is now being cared for, and particularly in the Provinces of Batangas, La Laguna, and Tayabas the advent of the railroad seems to have made the difference between a backward and a progressive situation.

The estimate for the fiscal year 1912 is as follows:

RESOURCES.		
Reserve—		
Cash available for appropriation June 30, 1911..	₱447,332.37	
Appropriated from funds of fiscal year 1911 for permanent improvements by Acts Nos. 1988, 2052, and 2058, not yet released by the Governor General.....	643,000.00	₱1,090,332.37
Estimated revenue.....	₱25,072,300.00	
Receipts, etc.	164,356.94	25,236,656.94
Total estimated resources.....		26,326,989.31

LIABILITIES.		
Fixed charges.....	₱3,396,048.44	
Permanent improvements:		
Continuing.....	₱1,500,000	
Total appropriated fiscal year 1912, ₱4,726,952 (released by Governor General)....	₱670,000	
Non-Christian province appropriation (not subject to release by Governor General)....	372,452	
	1,042,452	2,542,452.00
Current expenses:		
Continuing.....	229,461.11	
Fiscal year 1912.....	19,238,988.00	19,468,449.11
Total liabilities.....		₱25,406,949.55
Estimated balance provided no further amounts are released by the Governor General.....		920,039.76

As shown by the foregoing statement, the estimated insular revenue for the fiscal year 1912 is ₱25,236,600. The collector of internal revenue estimates that the receipts of his office during the year will be ₱8,900,000, an increase of about ₱600,000 over the receipts of last year. The insular collector of customs estimates the receipts of the bureau of customs at ₱15,500,000, which is a decrease of ₱1,000,000 from the actual receipts of last year. These estimates are conservative, and the receipts, if they continue at the present rate, will exceed this amount.

The total appropriations for current expenses for the present fiscal year amount to ₱19,468,000, and for fixed charges ₱3,400,000; ₱1,250,000 of the fixed charges is the annual contribution of the insular government toward the expenses of the city of Manila. The other fixed charges are interest on bonds of the insular government issued for public works and permanent improvements and guaranteed interest on bonds issued by the railroads.

The total appropriations for the fiscal year 1912 for public works and permanent improvements amount to ₱6,227,000, all of which are to be paid out of the current revenues of the present fiscal year. The continuing appropriations for permanent improvements are ₱250,000 for strong-material schoolhouses, ₱750,000 for irrigation systems, and ₱500,000 for roads and bridges. Act No. 2059, which appropriated ₱4,354,000 for insular permanent improvements, provided that none of the appropriations authorized therein should be available for use until released by the Governor General. Of this amount only ₱670,000 has thus far been released, and the release of further amounts will be contingent on and governed by the amount of revenues received. Thus, as the matter now stands, unless further releases are made the government will

have a surplus of ₱920,089.76. But in case the continuing annual appropriations for irrigation and schools are not spent this year, the surplus at the end of the year should be about ₱2,000,000. In order to give some idea of the rapidity with which public works are now being constructed, the following data, showing the expenditures during the fiscal year 1911 for permanent improvements, will be of interest:

Expended from insular revenues-----	₱7, 286, 000
Expended from provincial revenues-----	2, 786, 000
Expended from municipal revenues (fiscal year ended Dec. 31, 1910)-----	844, 000
Total-----	10, 916, 000

It would be most unfortunate to stop public works to this extent, and the suggested legislation releasing ₱2,500,000 of the gold-standard fund is urgently recommended.

The Commission, in its exclusive capacity, has passed appropriation bills for current expenses of ₱1,288,200 and for public works and permanent improvements ₱372,400.

The Commission, acting in its exclusive legislative capacity, has established a sales agency to work up a market for the products of the schools and for the specialties manufactured by the non-Christian tribes and has appropriated the sum of ₱60,000 for the construction of a sales-agency building on the filled-in land near the new hotel now nearing completion. It is hoped with this to keep in touch with the markets of the world for those things made in the schools, such as laces, embroidery, hats, woodworking, etc., and to be able to put the bureau of education in touch with those lines of practical work which will command a market and will enable children upon leaving school to earn a living by reason of the things they have learned in the school. It is believed that this service could readily be extended to the children in the schools throughout the archipelago, and the matter is recommended to the consideration of the legislature, with a recommendation that the necessary legislation be made to give all the schools of the islands participation in these benefits.

ASSEMBLY RESOLUTION REQUESTING THAT A CONSTITUTION BE GRANTED.

On December 5, 1910, the Assembly passed a joint resolution requesting that the Congress of the United States recognize the right and power of the Philippine people to prepare and adopt a constitution of its own; that the Philippine Resident Commissioners in the United States sustain this aspiration of the Philippine people in the Congress of the United States and obtain from Congress the necessary legislation.

This resolution was presented to the Commission on December 8, 1910, and was reported by a select committee on January 5, 1911, with a recommendation that the resolution be laid on the table. The report of the select committee was adopted almost unanimously, the explanations of the votes being given on pages 341 to 347 of the Commission Journal, Second Philippine Legislature, special session, 1910, and first session.

EXECUTIVE BUREAU.

No important changes have taken place in this office during the year. The executive secretary was absent from November 7, 1910, to February 14, 1911, being called as a witness to the congressional investigation of the friar-lands administration. The work of the bureau has shown the usual steady increase, although the office force remains practically unchanged numerically. The new reenforced-concrete addition for the records division has proved very satisfac-

tory and, it is thought, reduces to a minimum any danger of fire destroying the records and archives of the Government. Certain changes have also been made in the offices of the Governor General and the special agents, which have proved useful. The report of the executive secretary, forwarded herewith, shows the work of the bureau in necessary detail.

HEALTH CONDITIONS.

Health conditions in the archipelago during the past year have been better than ever before. Cholera has been a lesser menace than during any previous year since American occupation, and no other dangerous epidemic has got headway in the islands.

The general hospital is now fully opened, in successful operation, and giving general satisfaction, and I believe Manila can congratulate itself on having the best-arranged and best-equipped hospital in the Orient.

The Southern Islands Hospital, at Cebu, will soon be ready for occupancy, and it is expected to bring within easy reach of the inhabitants of the Visayas the advantages which have so far been confined to those who are able to attend the Philippine General Hospital.

The recent discoveries in regard to the effect of polished rice on beriberi have enabled the Government to very greatly reduce that disease, and it has wholly disappeared in the Government-run institutions, such as prisons, the leper colony, and the asylums. It was found that polishing the rice removed a fine covering containing a nutritive substance, the lack of which brings about in people whose principal article of diet is rice a condition favorable to beriberi. While there is some doubt among scientists as to the exact cause of this phenomenon, it is fairly and conclusively proved that people fed on unpolished rice are not liable to contract beriberi.

The work of the Antituberculosis Society is steadily continuing, and progress is being made toward informing the people as to the methods of fighting the disease.

The leper colony has now probably reached the maximum number that it will ever have, about 2,500 persons, and the rapid death rate among these unfortunate people will from now on keep the size of the colony reduced. The number of new lepers in the islands is steadily decreasing, and it is believed within a few years the danger from this disease will be negligible.

EDUCATION.

The progress of education in the islands during the past year has been very satisfactory. The people are in thorough sympathy with the Government in its effort to improve educational conditions by increasing the number and improving the condition of schoolhouses and by making educational facilities available for as large a number of children as the Government can afford. The increase in the school attendance during the past year has been very satisfactory.

In order to meet the needs of the people special emphasis is now being placed on practical agricultural and industrial training, this

phase of the educational problem being considered most important and its possible effect on character and economic conditions incalculable.

LAND REGISTRATION.

In my judgment no one thing is more vitally necessary for the people to-day than a general registration of lands. It will promote public order, awaken a sense of the responsibilities of citizenship, and, most of all, foster the proper development of the productiveness of the land; for people are only willing to spend money to improve property that they are sure of and on which they can borrow money. In fact, I believe that the United States Government could not do a better thing than to make possible the undertaking of a general cadastral survey of the islands, making it easy for the people to secure title to their lands.

The following recommendations are therefore made:

First, that a general cadastral survey law, similar to that which failed of passage at the last Legislature by reason of the inability of the Commission and Assembly to agree upon certain vital features, be enacted. The Commission, in its exclusive legislative capacity for that territory inhabited by Moros and other non-Christian people, have enacted such a law.

Second, that Congress be requested to enable the Government of the Philippine Islands to borrow \$1,000,000 the first year and \$100,000 a year for the succeeding 20 years for the purpose of beginning general cadastral surveys and advancing the money for a preliminary general survey, part of this money to be collected from the landholders.

Third, having the funds and the necessary legislation to make them effective, that there be established forthwith survey parties sufficient to perform one-twentieth part of the cadastral survey herein recommended each year, and that the court of land registration be increased so as to provide a sufficient number of judges, clerks, and other employees to keep abreast of the work of the surveyors.

Fourth, that in order to have this work done as much as possible by natives and to avoid the importation of large numbers of surveyors at a high cost who will have the manner of life, the method of work, and the languages of a foreign, tropical country to learn, the university of the Philippines establish and maintain in connection with the work of the bureau of lands a school for surveyors, and that the work be done as far as possible by Filipinos as their accuracy and skill increases.

DIRECTOR OF AGRICULTURE.

The Government has been fortunate in securing as director of agriculture Mr. F. W. Taylor, who has already arrived in the islands and taken up his difficult task. Hitherto the work of the bureau of agriculture has had to be concentrated on the fighting of animal disease, and the thorough and careful organization of the campaign against locusts has not received the attention it deserves from its importance and which it must receive in the future. It is expected that the coming of Mr. Taylor will give a new impetus to this work.

RINDERPEST.

At the beginning of the last fiscal year, after 10 years of continuous effort to control rinderpest, more than half the Provinces were still infected and no noticeable gain had been made. In view of these facts a complete change in the system was made, the use of the rinderpest serum was discontinued, the desultory work throughout the Provinces was made a secondary part of the work, and a large number of employees of the bureau of agriculture were concentrated in the Province of Pangasinan. Maj. Gen. J. Franklin Bell, commanding the Philippines Division of the United States Army, by detailing over 1,200 Philippine Scouts to maintain a quarantine between Pangasinan and the adjoining Provinces, made possible the success of the scheme which depended on cleaning one particular part of the infected territory, keeping this part free from reinfection, and gradually pushing the line of clean territory farther and farther. Starting from the eastern part of Pangasinan, practically the whole Province has been cleaned by this system, and a similar successful campaign has been carried on in the island of Siquijor, which is now entirely free from rinderpest. The intention is to go over the whole country by this method, and, it is hoped, within a few years to rid the entire archipelago of this disease.

IRRIGATION.

So far as irrigation construction work is concerned, there has been but little progress in the past year. Valuable and most necessary work, however, has been done in the study of water data, river gauging, rainfall data, and preliminary investigations and surveys. The small accomplishment in irrigation this year has been partly due to difficulties under which the engineers worked, as legislation which was prepared to assist and which would have aided irrigation construction work was not passed by the Legislature. The result has been that a very large proportion of the irrigation funds was spent on investigations. It has been found almost impossible to construct irrigation systems from the reimbursable appropriation where it is necessary to obtain the signatures of a majority of the landowners to contracts agreeing to pay for water which for many years they have been using in their old irrigation system—crude, it is true, but which nevertheless supplied sufficient water for one crop. Without legislation along the lines of the irrigation bill which was presented at the last session of the Legislature, it will be practically impossible to get quick results.

CIVIL SERVICE.

During the last calendar year there was no change in the number of Americans and an increase of 342 in the number of Filipinos in the service. The percentage of Filipinos in the classified civil service increased from 65 to 67. There was an increase in the average salary of both Americans and Filipinos. During the last fiscal year 481 Americans voluntarily resigned, a decrease of 27 from the preceding year. The separations of Americans from the service, due to resignations, removals, and deaths, were 21 per cent of the total American force. The numbers of Americans and Filipinos in the different

bureaus and offices of the civil service from 1908 to the present year, with information as to salaries, are shown by the following statements:

Table showing the numbers and percentages of Americans and Filipinos in the Philippine classified civil service on Jan. 1 of the years given.

Years.	Total.	Americans.		Filipinos.	
		Number.	Percent.	Number.	Percent.
1903.....	3,630	1,606	44	2,024	56
1904.....	5,528	2,725	1 49	2,798	51
1905.....	6,351	2,796	44	3,555	56
1907 ²	5,384	2,157	40	3,227	60
1908.....	5,487	2,024	37	3,463	63
1909.....	5,964	2,186	37	3,778	63
1910.....	6,101	2,155	35	3,946	65
1911.....	6,309	2,100	33	4,209	67

¹ Increase due to classification of teachers on Sept. 1, 1903.

² No data for 1906 available.

Comparison of the numbers of American and Filipino officers and employees having a permanent status in the service and the salaries paid on Jan. 1 of the years given.

Years.	Officers and employees.			Salaries paid.			Average salaries.		
	Americans.	Filipinos.	Total.	Americans.	Filipinos.	Total.	Americans.	Filipinos.	Total.
1903.....	2,777	2,697	5,474	₱7,236,700	₱2,189,376	₱9,426,076	₱2,605.94	₱811.76	₱1,721.97
1904.....	3,228	3,777	6,605	8,663,720	2,632,834	11,596,554	2,693.92	868.48	1,755.72
1905.....	3,307	4,023	7,330	8,945,424	3,306,738	12,252,162	2,704.08	822.70	1,671.51
1907 ¹	2,616	3,802	6,518	7,836,242	3,234,494	11,103,736	3,006.12	828.93	1,703.55
1908.....	2,479	4,080	6,559	7,748,236	3,686,855	11,436,091	3,125.95	903.64	1,743.67
1909.....	2,659	4,397	7,056	8,576,962	4,018,988	12,595,950	3,225.63	914.03	1,786.14
1910.....	2,633	4,689	7,272	8,785,486	4,296,896	13,082,382	3,325.29	926.25	1,794.88
1911.....	2,633	4,981	7,614	8,954,834	4,668,825	13,623,659	3,401.00	937.33	1,789.29

¹ No data for 1906 available.

From the foregoing it will be seen that the maximum number of Americans in the service was reached in 1905, since which year there has been a considerable decrease in most of the bureaus except those employing civil engineers, surveyors, veterinarians, and other technical men. The net decrease of Americans from 1905 to 1911 was 674, the net increase of Filipinos during the same period being 958.

STRIKES.

I am glad to say that the epidemic of strikes mentioned in the last report has ceased, and under the skillful direction of the Hon. Manuel Tinio, director of labor, threatened strikes have been averted and the relations between labor and capital have been uniformly cordial.

INSULAR AUDITOR.

In November of this year what had appeared to be a slight misunderstanding between the executive and the insular auditor culminated in a cable sent by the Governor General to Washington requesting the suspension of the insular auditor for failure to prop-

erly understand his position and the relation of his office to that of the Governor General. The then incumbent had been urged by the undersigned for appointment to his position in view of his long service and his enthusiasm toward certain reforms which it was believed necessary in the matter of accounts. Toward these reforms Mr. Clarke had given whole-souled devotion and for several years worked with tireless energy toward the improvement of the book-keeping and accounting system of the government.

He seems to have overlooked, however, the clause of law which places his office under the administration of the Governor General, and finally, in regard to an investigation ordered by the undersigned of certain abuses which were reported to have been committed by one of his officers in connection with an alleged misappropriation of Government funds by Government officials in Baguio, he denied the right of the Governor General to interfere, and came out in open insubordination as a result. The request for his suspension was complied with on the day following. Charges were preferred against him on various counts, and evidence came rapidly to hand to show the causes for his separation from the service to have been more numerous and general than had been at first believed. The Secretary of War, after giving him an opportunity to make full reply and to present his case by a representative, especially selected for the purpose, allowed him to resign.

In his place, Mr. W. H. Phipps, of Ohio, was appointed on March 4, 1911, appointment to be effective April 1, 1911.

UNIVERSITY OF THE PHILIPPINES.

During the past year the University of the Philippines has been organized in its definite form and now includes the Colleges of Liberal Arts, Medicine and Surgery, Agriculture, Veterinary Science, Law, Engineering, and the School of Fine Arts.

An appropriation of ₱250,000 has been made for the construction of a building for the use of the university on the ground set aside for that purpose on Taft Avenue. There is a very general feeling, however, that the anticipated rapid growth of the university will make it undesirable to continue to occupy this site, and the building has therefore been designed for the permanent use of the College of Law if the university itself moves to some point where larger grounds are available. The total registration of students in the various departments in August, 1911, was 1,220.

BOARD OF RATE REGULATION.

During the year the board of rate regulation has considered and adjudicated a number of more or less important cases and has prepared an order governing the transportation of passengers and freight on boats in the coastwise trade of the islands. The necessity for this order was apparent from the chaotic condition of the rates resulting in discrimination by the carriers in favor of certain individuals and localities, which wrought great hardship on those not favored. The system adopted in this order is a fixed charge per mile with an official table of distances showing the mileage between ports, and a classification of commodities, giving the rate per mile, allowing an

additional charge for second and third class ports which have less facilities than the ports of the first class. It is hoped that this order which becomes effective on January 1, 1912, will have the effect of encouraging and putting on a firm basis interisland trade.

MOUNTAIN PROVINCE.

The progress in the Mountain Province noted in my last annual report has continued along satisfactory lines. A constantly larger proportion of the people are paying their road tax each year by giving the 10 days' labor required by law, and the trails in the province now aggregate a total of slightly more than 1,600 kilometers (1,000 miles), much of this distance being of fair, broad, and level roadway suitable for narrow-gauge carts. In fact, the whole distance from Tagudin to Bontoc can now be traversed by bull carts, and they are constantly passing over that line. It is believed that a narrow-gauge railroad of 2-foot gauge, such as is being generally constructed in Belgium, Africa, India, and other places, can be placed upon this trail at a reasonable cost, to be operated by traction of gas-electric motors. If this can be done the development of the mountainous interior of Luzon will be rapid. It is proposed to make a trial of this system to ascertain the cost and facility of operation, and then it may be extended wherever the prospective business justifies the expenditure.

MORO PROVINCE.

Conditions in the Moro Province are constantly improving, although during the past year a considerable number of murders of Americans by fanatic Moros have been committed and punished. The Government is now devoting its attention toward reducing the number of arms in the hands of the people and putting more safeguards about their use. The expense of the administration has been very largely reduced; the provincial income has increased; commercial and agricultural conditions have been good; peace conditions are improving, and labor is becoming more plentiful. The total exports for the fiscal year 1911 show an increase over the preceding year of nearly 50 per cent. Although there was one outbreak of rinderpest in the Province during the year, this was stamped out through the active efforts of the provincial Government under the direction of Dr. C. G. Thompson, of the bureau of agriculture, and at present the Province is free from this scourge.

Gen. Pershing, the provincial governor, has continued his active and successful work in promoting trade relations; provincial stores have been established to enable the people of the interior to get commodities at fair prices, and roads are being pushed to completion as rapidly as funds and labor will permit. The governor has adopted a method, new to the Moro Province, of dividing up the interior sections of the Island of Mindanao into districts. Over each district is placed a district governor. There are now 12 such districts, the larger ones being divided into subdistricts. This is one of the best ways to get at the savage and sometimes nomadic tribes of the interior.

The first provincial fair, held at Zamboanga last February, was most successful and attracted large numbers of representatives from

the different tribes and districts, including some 20,000 visiting Moros and pagans and a large number of Filipinos. It is expected that in thus bringing the people together in friendly intercourse much will be accomplished toward the advancement of civilization and the improvement of commercial conditions in the Moro Province.

PROVINCIAL GOVERNMENTS.

The 31 regularly organized Provinces and the Province of Batanes come under the direct administrative control of the executive bureau.

The Filipinization of the service is being gradually extended, the percentage in 1910 being 91.8 as compared with 92.6 for 1911. All these Provinces have elective Filipino governors, except Batanes, where the position is appointive and held by an American; all of them have Filipino third members of the provincial boards and 11 have Filipino treasurers.

The same enthusiasm, remarked in my last report, which had been displayed throughout all the Provinces in the construction and maintenance of roads and bridges has continued during the year, and practically all available resources have been devoted to that purpose, with the gratifying result that the Provinces had in operation at the end of the fiscal year 1,587 kilometers of first-class road, 1,069 kilometers of second class and 2,956 kilometers of third class as compared with 1,230 kilometers of first class, 1,031 kilometers of second class and 3,337 kilometers of third class constructed at the close of the previous year. This shows an increase of 357 kilometers first class, 37 kilometers second class, and a decrease of 380 kilometers third class, from which it will be seen that the great advance has been in the improvement of existing roads, rather than the opening of the new ones.

No new provincial buildings were completed during the year, but the Provinces of Iloilo, Capiz, and Isabela have adequate modern buildings nearing completion.

The drilling of artesian wells has been continued, and with the arrival of new equipment it is hoped that every municipality where artesian wells are possible will soon enjoy the benefits of a supply of good potable water.

The Provinces have shown gratifying enthusiasm in support of the annual carnival exhibition of provincial products which is held in Manila. At the last carnival 16 Provinces had instructive exhibits of agricultural and industrial products, which formed one of the most interesting and valuable features of the carnival. It is hoped that with the organization of the Philippine Exposition, authorized by Act No. 2023, even better results will be obtained in the coming year.

Under the provisions of Act No. 1979, the Governor General extended the period for the collection of the 1911 land and cedula tax without penalty in the cases of six Provinces. In almost every case the extension was granted because of the rigid rinderpest quarantine which interfered considerably with the harvesting and marketing of the crops. No remissions of land tax were granted during the year.

CITY OF MANILA.

The administration of city affairs has continued without noticeable changes during the past year. Conditions of public order have been good, there having been but two unimportant strikes on the water front, both unattended with disorder.

During the year there were 145 fires, 44 more than in 1910. While this is the largest number of fires in any one year since the fire department was organized, it points to the efficiency of the department that the loss from these fires was only ₱498,000, or less than one-half of the previous year. The size of this loss is due also to the fact that many of the fires were in the poorer residence districts of the city, where, although the damage was comparatively small on account of the value of the nipa houses, yet the suffering of the people was relatively great. The police department did good service in relieving the suffering and in distributing provisions, etc., after the fires.

Health conditions in Manila have been excellent; there has been a minimum of cholera, no plague, and almost no smallpox. The indigent sick are attended more carefully than ever before in the new general hospital, in which the city makes a yearly contract for not to exceed 100 beds. From the point of view of administration, this is more satisfactory than the former arrangement with the hospitals of San Juan de Dios and St. Paul's. Sanitary conditions have also been improved by the construction of new midden sheds, the opening of the Legarda estate sanitary barrio, the improvement of the sanitary barrio on the San Lazaro estate, and an ample supply of clean water from the new water system, which has been made possible by a strict control of the Marikina watershed and the fact that the water is drawn from the river a good distance above Montalban. More general advantage is being taken of the sanitary sewer system.

A considerable advance in the progress of park construction during the year has been noted. Ground for the construction of the Malate Park reservation was bought during the year. This park is intended to include the land now occupied by the military stables, Fort San Antonio de Abad, and the land farther inland. The new large botanical gardens of the city of Manila will be placed here. The parks around the Bagumbayan Drive and around the walls of the old city have been improved and much work has been done on the new Luneta between the Manila Hotel and the Army and Navy Club.

The greatest need in the city school situation is that of school-houses. At present there are no funds available for the construction of new schoolhouses in the city of Manila, and the rented buildings are not suited, in the majority of cases, for schools, and are badly ventilated and lighted.

The condition of the city streets still continues to be poor. There has been great difficulty experienced in obtaining from any quarry within reasonable distance of Manila crushed rock that is hard enough to stand the heavy traffic. Experiments, however, have been made on the Bagumbayan Drive with an asphalt binder, which has given a good durable surface for some time past, and every effort is being made by the city authorities to get a better class of rock for street construction.

BAGUIO.

The progress made in Baguio this year has, in a large measure, justified the hopes held out in the selection of Baguio as the site for the summer capital. It is not to be expected that the Filipinos generally will appreciate the value of a mountain resort until the opportunity and occasion has arisen for them to experience the advantages. The year, however, was signalized by the arrival of a number of wealthy Filipinos, who were so enthusiastic that there was a considerable movement in city real estate, many lots changed hands, orders for a number of houses were placed, and several houses were constructed.

The Government moved up about the 1st of March and returned between the middle of June and the 1st of July, making a complete season of four months in the hills for most of the employees.

The services of Mr. E. S. Brown, the physical director of the Manila Young Men's Christian Association, were secured to direct the physical exercises of the employees. The different groups, each with its various athletic teams, and a systematic series of competitions was undertaken, in which several hundred employees participated.

The Government had added a large number of cottages and dormitories to its other buildings during the year, and their existence enabled many employees, especially Filipinos, to have their families with them. A great many availed themselves of this opportunity; the result was greater contentment in the service and a much more beneficial result from the sojourn in the hills.

The construction of new roads, the opening of the new forest park which the bureau of forestry has undertaken to lay out and beautify, the parking, grading, and improving of the space between the two Government centers, the construction of the new provincial and municipal government buildings have changed Baguio so that it now is beginning to look like a city. The demand for Government cottages was so great that only a fraction of those who applied could be supplied.

Since the close of the fiscal year a passing typhoon brought about a downpour of rain which exceeded any other that we have record of in the islands, the rain gauge registering 880 millimeters (34.64 inches) in 24 hours and 2,239 millimeters (88.14 inches) in 4 days. The result of this was beneficial in one way, as it showed which parts of the ridges and hills were not reliable and saved the railroad from one or two very serious mistakes. It had the unfortunate effect, however, of very greatly damaging the Benguet Road. A mountain slide came down into a narrow part of the valley, the estimated number of cubic meters of earth being in the neighborhood of 1,500,000. The valley was dammed to a height of 30 meters (100 feet), and when the water finally broke through the mass it not only tore out the bridges, culverts, and roadbed, but literally covered the country below until the Province of Pangasinan seemed to be one vast sea. There was considerable loss of life, 20 persons having been lost in the town of Aringay alone. Many deaths of animals were also reported throughout the Provinces affected. Fortunately, however, the rice crop was not advanced so far as to be very greatly damaged. The water had an incidental effect of enriching the land by leaving a

deposit of silt, and when the flood subsided it was not too late to replant those rice fields which had been injured by the excess of water.

A second typhoon 10 weeks later brought about further damage to the road, but fortunately left the canyon in such shape as to make possible the opening of the road at less cost than was expected, only ₱100,000 appropriation having been found necessary for the purpose of establishing communication until such time as the railroad shall be in Baguio. Much, however, of this work is of temporary nature and will by no means place the road in the same condition it was before the storms.

TAAL VOLCANO DISASTER.

On the morning of January 30 a violent eruption of Taal Volcano, which had been active for a number of days previous, occurred. The volcano is situated about 64 kilometers (40 miles) south of Manila, and the eruption was plainly visible from that city. It was accompanied by a series of earthquake shocks, which continued with more or less violence for 15 days. In all, 1,014 shocks were registered, of which a very considerable number were of sufficient violence to be felt in Manila.

Taal Volcano is situated in a lake about 26 kilometers (16 miles) long and 15 kilometers (9 miles) wide, the crater being on an island about 5 kilometers (3 miles) in diameter.

The eruption, which occurred at half past 2 o'clock in the morning, was accompanied by a violent display of lightning, great blasts of hot gas which swept the neighboring region, and a fall of mud which in ravines and low places accumulated to a depth of many feet on the island and points near it. According to the observations at the observatory, ashes even reached Manila. The hot gases and fall of ashes killed all but about 21 of the three hundred and odd people living on the volcano island. Certain barrios situated on the west coast of the lake were obliterated, and all people and animals perished. Other barrios were only partly destroyed. In some barrios a great many people were injured, some being burned by the hot blasts of air. The total estimated loss of life amounted to about 1,300.

The Red Cross board was immediately organized and undertook the direction of the relief work. Col. W. C. Rivers, United States Army, one of the assistant directors of the constabulary, was sent down to take charge. A subscription list was started, which resulted in the collection of about ₱30,000, and as much as was necessary of this amount was expended on the relief work. Although other eruptions appeared imminent, and earthquakes, denoting the activity of the volcano, were continuous, many volunteers offered their services to prevent further loss of life and suffering. Among these were the Sisters of Charity, the nurses of St. Paul's Hospital, and many doctors. No instance of reluctance or shirking of duty on the part of any Filipino or foreigner was found.

A special report on this subject, giving the report of the agent of the Red Cross, of the provincial treasurer of Batangas, and of the officer in charge of the relief work and all correspondence relating to the matter, was forwarded to the Secretary of War in March. Reference is made to that report for further information on this subject.

MANILA HOTEL.

The work on the new Manila Hotel is progressing favorably, and the management is confident that the hotel can be opened on the date originally set for it, the 1st of January, 1912. From time to time the management has found certain defects in the plans and has made suggestions for betterments involving considerable additional cost. In every case the Government, after satisfying itself that the changes were advisable, authorized the purchase of the necessary additional number of bonds on the part of the Government, with the result that it is believed that the hotel when completed will be first class in every respect.

EAST BATAN COAL MINES.

On August 24, 1910, the Government secured the services of Mr. E. Randolph Hix, a carefully selected coal expert in the United States, to make a study of the various varieties of coal to be found in the Philippine Islands and neighboring countries and of the handling methods in vogue, and to make recommendations such as would enable the Government to make economies in the important matter of purchase and handling of coal, the supply of which has been uniformly unsatisfactory in the past, owing to the great distances it has to be carried and to the quality of the coal found in this and neighboring countries. The importance of this was accentuated by the fact that the Government of the Philippine Islands is operating the cableship *Rizal*, which it is believed could be used advantageously for transporting coal when not needed for other purposes.

Upon recommendation of Mr. Hix it was determined to try to assist the East Batan Coal Mining Co., a local enterprise, financed by Philippine capital, which had been struggling to develop a mine on the island of Batan, Province of Albay. The Government of the Philippine Islands had given the company considerable assistance in the past in the purchasing of coal and using it on its coast-guard vessels.

In order to facilitate the delivery, the bureau of navigation had invested a considerable sum of money in the construction of bunkers at the site of the mine in which coal could be stored, under a contract with the company by which the bureau of navigation received a fee for all coal that the company passed through the bunkers, and under which certain quantities of coal were to be delivered at a low price to the bureau of navigation, in payment for the bunkers, they to be insured by the company, but the title to remain in the Government of the Philippine Islands until they are fully paid for.

In spite of this assistance the company, owing largely to mismanagement and the poor quality of the coal, found it very difficult to make both ends meet. Finally, on the advice of Mr. Hix, the company went into the hands of a receiver. Mr. William T. Nolting, special agent of the Governor General, whose services were highly desirable for the purpose, was appointed by the board of directors of the company extrajudicial receiver, and the bureau of supply was authorized to make a contract with the company for delivery of 10,000 tons of coal and advanced the company certain sums against the delivery of this coal to enable it to meet its obligations and make certain reforms in the methods of operating the plant, which it was

believed would result in marked economy and increased output. These plans have been carried out with marked success by Messrs. Nolting and Hix, the latter having stayed over to see the work through; the mine is operating on a moderate and economical basis, ready to deliver very much larger quantities of coal, and the costs of mining, providing the mine can be kept in constant operation, have been reduced to the neighborhood of ₱3 a ton, which should yield a handsome profit on the coal at present prices.

Unfortunately, the quality of the coal is such that its market is extremely limited. The cost of handling and transportation to date has been so high as to make the coal less economical per peso of cost when used than Japanese or Australian coal.

The policy of the Government, which is to assist local industry, would justify undergoing some slight or moderate disadvantage in order to purchase the Philippine coal and to spend the money in the islands. It is extremely doubtful, however, if this disadvantageous use of the Batan coal would justify the continuation of the experiment, and unless the company finds a commercial market for a considerable portion of its output, it is probable that the Government aid will be discontinued, except for moderate quantities, perhaps for coast-guard boats on local routes.

Respectfully submitted.

W. CAMERON FORBES,
Governor General.

To the PHILIPPINE COMMISSION,
Manila, P. I.

REPORT OF THE EXECUTIVE SECRETARY.

REPORT OF THE EXECUTIVE SECRETARY.

THE GOVERNMENT OF THE PHILIPPINE ISLANDS,
EXECUTIVE BUREAU,
Manila, September 8, 1911.

SIR: I have the honor to submit herewith the following report of the executive bureau for the year ended June 30, 1911:

EXTRADITION PROCEEDINGS.

In response to a circular issued by the sheriff of one of the counties in California, a man wanted there for embezzlement was found in the Philippine Islands and held pending the receipt of a request for extradition. Before the papers arrived the accused voluntarily waived extradition and was returned to San Francisco on an Army transport.

A Filipino whose arrest was desired by this Government for complicity in the crime of abduction was taken into custody by the colonial authorities of Hongkong and delivered to a representative of the authorities here upon presentation of extradition papers. He was returned to the Philippine Island for trial.

Extradition papers were also prepared for service on the governor of the State of California in the case of an American wanted in the Philippines for obtaining money under false pretenses. The person whose arrest was desired was reported as living in San Francisco. Upon the arrival of an agent of this Government in that city he could not be found and the extradition papers were not presented.

PARDONS.

At the beginning of the year 145 petitions for pardon were pending determination, and during the year 1,095 new petitions were received. The disposition of all these is set forth in detail in the following table:

Petitions on hand at the expiration of the last fiscal year.....	145
Petitions received during this fiscal year.....	1,095
Full pardons granted.....	9
Remissions of unserved portions of sentences.....	290
Commutations of sentences.....	33
Parole granted.....	1
Reprieves issued.....	2
Denials.....	843
Petitions filed without action.....	25
Petitions referred to municipal board of Manila (violations of ordinances).....	7
Petitions pending decision, investigation completed.....	9
Petitions under investigation.....	57

COMMITTEE ON PARDONS.

Cases considered.....	174
Cases pending.....	292

The number of cases reported as disposed of appears larger than the sum of the petitions received and those pending at the close of the previous year. The difference is due to the fact that the cases disposed of include fellow convicts who did not present applications.

PASSPORTS.

One hundred and sixty-one passports were issued by this office to citizens of the United States, and 59 to citizens of the Philippine Islands, 19 less than for the year preceding.

CABLEGRAMS.

Three hundred and eighty-one cablegrams were sent during the year and 341 received, and 6,378 excerpts were furnished other bureaus and individuals. The total cost of the cablegrams sent was ₱18,935.82. The cost of the service to the executive bureau amounted to ₱7,528.98, or 12 per cent less than for last year.

TRANSPORTATION.

The contracts for transportation of Government employees have continued in effect.

Transportation from Manila to the United States was furnished on United States Army transports at the request of this office for 428 persons, of whom 373 were adults and 55 were children. This total includes 21 servants, 26 conditionally pardoned prisoners, and 39 indigent citizens of the United States. Transportation on Army transports from Manila was also secured for 35 adults and 3 children to Nagasaki; for 5 adults and 3 children to Honolulu; for 1 adult to Mariveles; and from Nagasaki, Japan, to San Francisco for 5 adults. One hundred and twenty-eight adults and 13 children were given the advantage of the Government trans-Pacific rate; and 89 adults, 16 children, and 1 servant received the benefit of the contract rate between Manila and New York City via the Suez Canal; in all, 727 requests for transportation were issued.

CONTRACTS FOR GOVERNMENT ADVERTISING.

The contracts for Government advertising in force at the end of the last year have been continued. During the year 665 official advertisements were sent out for publication under these contracts by the division of legislative records.

ELECTIONS.

Elections for one Delegate each to the Philippine Assembly were held in La Laguna, Surigao, and Batanes Provinces.

In 28 provinces 33 municipal presidents, 16 municipal vice presidents, and 93 councilors were elected. The following table gives the data in detail:

Provinces.	Municipal.			Delegates to the Philippine Assembly.	Total.
	Presidents.	Vice presidents.	Councilors.		
Agusan.....	2				2
Albay.....			7		7
Ambos Camarines.....	4		10		14
Antique.....			1		1
Batanes.....				1	1
Batangas.....			8		8
Bohol.....	2	1			3
Bulacan.....			2		2
Cagayan.....	2				2
Capiz.....	1	1	1		3
Cavite.....	1				1
Cebu.....	2	3			12
Ilocos Norte.....	1		9		10
Ilocos Sur.....	1	1	4		6
Iloilo.....			6		6
Isabela.....	2		1		3
La Laguna.....			1	1	2
La Union.....			1		1
Leyte.....	5	4	10		19
Misamis.....	2		1		3
Occidental Negros.....	2	1	5		8
Oriental Negros.....		1	3		4
Pampanga.....			2		2
Pangasinan.....	1		2		3
Rizal.....	1		2		3
Samar.....	3		6		12
Sorsogon.....		1	1		2
Surigao.....	1			1	2
Tarlac.....			3		3
Total.....	33	16	93	3	145

APPOINTMENTS.

Seven hundred and eleven appointments were made by the Governor General during the year, of which 366 were to positions of justice and auxiliary justice of the peace. Ten of the former and 19 of the latter declined to serve, and 79 and 112, respectively, resigned.

The insular official shown in the following detailed table as having been removed was an assistant engineer with the assimilated rank of third lieutenant of the bureau of navigation.

	Appointments by the Governor General and the Commission.	Appointments cancelled by the Commission.	Appointments and designations made by the Governor General only.	Declinations.	Resignations.	Reliefs.	Removals.	Deaths.
Insular officers, including judges.....	146	4	18		8		1	3
Provincial officers.....	12		33		4			2
City of Manila.....	5		3		1			
City of Baguio.....			6					
Candidates for admission to the United States Military Academy at West Point.....	3							
Municipal officers.....			120				38	36
Justices of the peace.....	170			10	79		23	3
Auxiliary justices of the peace.....	196			19	112	9	10	6
Total.....	532	4	179	29	204	14	71	50

Charges against municipal officials and action taken.

TABLE No. 1.

Disposition, etc.	Presidents.	Vice presidents.	Secretaries.	Secretary-treasurers.	Treasurers.	Councillors.	Justices of the peace.	Auxiliary justices of the peace.	Chiefs of police.	Sergeants.	Corporals.	Policemen.	Municipal clerks.	Total.	Grand total.
Cases tried:															
Officers suspended pending final decision.....	36	9	4	1	.....	67	17	8	5	1	2	24	.....	174	.....
Officers not suspended pending final decision.....	18	5	3	.....	.....	33	12	5	.....	.....	.....	3	.....	79	.....
Total.....	54	14	7	1	.....	100	29	13	5	1	2	27	.....	253	253
Action taken:															
Found guilty--															
Removed and disqualified from holding public office.....	4	1	1	.....	.....	2	13	3	.....	.....	.....	4	.....	28	.....
Removed.....	5	4	1	1	.....	10	9	7	2	1	.....	7	.....	63	.....
Resignation required or accepted.....	.....	.....	2	.....	.....	2	3	1	.....	.....	.....	2	.....	10	.....
Warned or reprimanded or disciplined or suspended.....	36	5	2	.....	.....	57	3	1	3	.....	1	11	.....	119	.....
No punishment owing to expiration of term.....	1	1	.....	.....	.....	5	.....	.....	.....	.....	.....	.....	.....	7	.....
Total.....	46	11	6	1	.....	85	28	12	5	1	1	24	.....	220	220
Found not guilty:															
Reinstated or continued in office.....	7	2	1	.....	.....	7	1	1	.....	.....	1	3	.....	23	.....
Charges dismissed.....	1	1	.....	.....	.....	8	.....	.....	.....	.....	.....	.....	.....	10	.....
Total.....	8	3	1	.....	.....	15	1	1	.....	.....	1	3	.....	33	33
Total number of cases disposed of.....	54	14	7	1	.....	100	29	13	5	1	2	27	.....	253	.....
Grand total.....	54	14	7	1	.....	100	29	13	5	1	2	27	.....	253	253

TABLE No. 2.

	Neglect of duties.	Abuse of official position.	Ignorance and incapacity.	Bad habits.	Extortion.	Larceny and bandolerismo.	Malversation and breaches of trust.	Bribery and kindred crimes.	Forgery and falsification.	False arrest.	Crimes of violence.	Violation of law (election, etc.), executive orders, and municipal ordinances.	Slander, disrespect, and use of bad language.	Interference in religious affairs.	Total.	Grand total.
GUILTY:																
Presidents.....	20	17	1	.....	.....	.....	1	1	.....	5	2	14	1	2	64	.....
Vice presidents.....	5	3	.....	.....	.....	.....	1	.....	.....	.....	.....	1	.....	.....	10	.....
Secretaries.....	1	1	3	.....	.....	.....	.....	.....	1	.....	.....	1	.....	.....	6	.....
Secretary-treasurers.....	37	17	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	.....
Councillors.....	8	21	3	1	2	.....	7	2	2	2	1	10	.....	.....	66	.....
Justices of the peace.....	1	5	1	1	.....	.....	2	.....	.....	.....	2	2	.....	.....	14	.....
Auxiliary justices of the peace.....	3	1	.....	.....	.....	.....	.....	1	.....	.....	.....	1	.....	.....	5	.....
Chiefs of police.....	2	2	.....	.....	.....	.....	.....	.....	.....	.....	2	.....	.....	.....	4	.....
Sergeants.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	.....
Corporals.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	.....
Policemen.....	7	16	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23	.....
Total.....	83	86	5	3	2	.....	11	3	3	7	7	32	1	2	245	245
Not guilty:																
Presidents.....	16	18	.....	3	1	.....	3	4	1	1	3	8	1	1	60	.....
Vice presidents.....	1	1	.....	1	.....	.....	.....	.....	.....	.....	.....	2	.....	.....	5	.....
Secretaries.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	.....
Secretary-treasurers.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Councillors.....	5	16	1	5	.....	.....	.....	2	.....	.....	1	17	.....	.....	45	.....
Justices of the peace.....	4	10	1	.....	1	1	4	2	1	.....	.....	1	.....	.....	24	.....
Auxiliary justices of the peace.....	2	2	.....	.....	.....	.....	1	.....	1	.....	.....	.....	.....	.....	4	.....
Chiefs of police.....	2	1	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	1	1	6	.....
Sergeants.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Corporals.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Policemen.....	4	1	.....	.....	.....	.....	.....	6	.....	.....	1	.....	.....	.....	14	.....
Total.....	33	49	2	10	2	1	7	13	2	1	8	28	2	2	190	190

TABLE No. 2—Continued.
Charges against municipal officials and action taken—Continued.

	Neglect of duties.	Abuse of official position.	Ignorance and incapacity.	Bad habits.	Extortion.	Larceny and bandolerismo.	Malversation and breaches of trust.	Bribery and kindred crimes.	Forgery and falsification.	False arrest.	Crimes of violence.	Violation of law (election, etc.), executive orders, and municipal ordinances.	Slander, disrespect, and use of bad language.	Interference in religious affairs.	Total.	Grand total.
No action:																
Presidents.....	1														1	
Vice presidents.....	1														1	
Secretaries.....																
Secretary-treasurers.....																
Comptrollers.....	5														5	
Justices of the peace.....																
Auxiliary justices of the peace.....																
Chiefs of police.....																
Sergeants.....																
Corporals.....																
Police-men.....																
Total.....	7		7	13	4	1	18	16	5	8	15	60	3	4	7	7
Grand total.....	123	135	7	13	4	1	18	16	5	8	15	60	3	4	412	412

REMOVALS.

Of the 253 municipal officials, justices, and auxiliary justices of the peace against whom charges were brought during the year, 220 were found guilty and 33 were either found not guilty or the charges were dismissed. Fifty-six of those found guilty were removed from office, 28 were removed and disqualified from holding office, the resignations of 10 were requested or accepted, 119 were warned, reprimanded, or suspended, and 7 went unpunished by reason of the expiration of their term of office.

The provincial governor mentioned as being under suspension at the close of the last fiscal year has been removed by the Governor General.

The number of charges has decreased by slightly more than 26 per cent as compared with the preceding fiscal year, while the number of officers against whom charges were brought has decreased by more than 25 per cent. Several different offenses sometimes being charged in the same case against one officer, who may be found guilty of some and innocent of others, the totals of the "charges" and "officers" can not agree. During the year there have been 40 per cent fewer charges of neglect of duty than during the preceding year, while there has been an increase of almost 24 per cent in the number of charges brought for abuse of official position. This increase can not decisively be taken as evidence of greater wrongdoing on the part of municipal officials. It is rather due to the fact that the ignorant people are losing the fear, formerly entertained by them, of officials as officials and are no longer silently suffering under real or imaginary acts of oppression. At the close of the year there were but seven cases on hand in which no action had been taken.

The table showing the percentage of the total of American and Filipino provincial and municipal officers appearing in the last report is herewith completed to June 30, 1911.

Years.	Provincial officers.					Municipal and township officers, including justices and notaries public.				
	Americans.		Filipinos.		Total num- ber.	Americans.		Filipinos.		Total num- ber.
	Num- ber.	Per- cent- age.	Num- ber.	Per- cent- age.		Num- ber.	Per- cent- age.	Num- ber.	Per- cent- age.	
1903.....	86	26.54	238	73.46	324	24	0.17	14,102	99.83	14,126
1904.....	87	37.82	143	62.18	230	44	.39	11,289	99.61	11,333
1905.....	90	24.60	246	75.40	326	58	.50	10,725	99.50	10,783
1906.....	60	24.69	183	75.31	243	68	.63	10,774	99.37	10,842
1907.....	50	34.25	96	65.75	146	88	.77	11,350	99.23	11,438
1908.....	49	32.66	101	67.34	150	82	.69	11,760	99.31	11,842
1909.....	47	31.54	102	68.46	149	81	.66	12,275	99.34	12,356
1910.....	39	27.86	101	72.14	140	102	.81	12,417	99.19	12,519
1911.....	43	29.25	104	70.75	147	108	.84	12,685	99.16	12,793

The number of American officials given, 108, would be misleading if not explained. Twenty-three hold appointive municipal offices in the Moro Province, 20 are justices of the peace or auxiliary justices in that Province and the Province of Mindoro or on military or naval reservations where they are appointed to deal with American soldiers and sailors, and 62 are notaries public, 44 in Manila and 18 in the Provinces being mostly lawyers who obtain appointment for

the convenience of their clients. Deducting the officers above mentioned it is found that there are really but three American municipal officers in the self-governing municipalities and two of these were elected by popular votes. The same facts are applicable to the figures given for former years and account for the apparent increase in percentage of Americans. Had the figures been confined to strictly municipal officers there would have been shown a decrease in percentage rather than an increase.

NEW LEGISLATION AFFECTING PROVINCIAL AND MUNICIPAL GOVERNMENTS.

The only legislation passed during the fiscal year affecting the organization or government of Provinces and municipalities was Act No. 2045, which extended the terms of office of provincial and municipal officials from two to four years, the elections to be held at the same time as the elections for Delegates to the Philippine Assembly.

Act No. 2052 appropriated ₱1,000,000 to be allotted by the secretary of commerce and police, when released by the Governor General, to be utilized by the various Provinces in paying their debts to the bureau of public works, if any, the balance to be placed to their credit for road and bridge work. The Governor General released ₱500,000 of this amount which was immediately allotted by the secretary of commerce and police on the basis of population. This afforded much needed relief to many Provinces that had allowed their bills, due to the bureau of public works for supervision to assume such proportions that their payment in a lump sum would have necessitated a temporary discontinuance of important public works.

PROVINCIAL AND MUNICIPAL AFFAIRS.

The 31 regularly organized Provinces and the Province of Batanes come under the direct administrative control of this office. The filipinization of the service is being gradually extended. All these Provinces have elective Filipino governors, except Batanes, which has an appointive American governor. All of them have Filipino third members of the provincial board; 11 have Filipino treasurers.

The policy of pushing the construction of permanent roads and bridges in all Provinces has been continued and rapid strides are being made toward a system of roads open for transportation during the entire year and extending throughout the islands.

No new provincial buildings were completed during the year, but the Provinces of Iloilo, Capiz, and Isabela have adequate modern buildings nearing completion.

Under the provisions of Act No. 1748 the Governor General has authorized the transfer of the capital of the Province of Nueva Ecija from San Isidro, its present location, to Cabanatuan. San Isidro is in the extreme southern part of the Province and during the rainy season is partially submerged by the overflow of the Rio Grande de Pampanga.

The new location is much more central and will stimulate the building up of a part of the Province very rich in agricultural lands. A suitable location for the capital has been secured and funds are now available to erect a modern reenforced concrete provincial building, jail, and storeroom.

The drilling of artesian wells has been continued, and with the arrival of new equipment now ordered from the United States it

is hoped soon to have an abundant supply of good artesian water in every municipality in the Philippines where geological conditions permit.

Another year has only added to the strength of the plea in my last annual report for additional legislation on the subject of provincial and municipal sanitation. The recommendations therein made are reiterated, and it is hoped that legislation on this important subject may be had at the next session of the Philippine Legislature.

The Philippine Legislature passed Act No. 2009 authorizing the city of Cebu to issue bonds to the value of ₱250,000 for public works. The bonds when sold brought a gratifying premium, and this amount together with the sum of ₱300,000 loaned by the insular government has been set aside for the construction of a gravity waterworks system. The work is now about one-third completed, and, when finished, Cebu will have a modern and satisfactory system.

At the Philippine carnival, held from February 21 to 28, 1911, the exhibits from the 16 Provinces which participated formed one of its most interesting and instructive features. These Provinces were Bohol, Bulacan, Cavite, Ilocos Norte, Ilocos Sur, Hoilo, La Union, Mindoro, Misamis, Moro, Occidental Negros, Pampanga, Pangasinan, Samar, Surigao, and Tarlac. The exhibits consisted mainly of agricultural and industrial products and created a most favorable impression on the crowds in attendance.

Under the provisions of Act No. 2023 a Philippine exposition is to be held in February, 1912. The indications at present are that nearly all of the Provinces will exhibit, and that the display of provincial products, industries, and resources will be one of the most important features.

PROVINCIAL FINANCES.

The following is a consolidated statement of the revenues and disbursements of the Provinces for the fiscal year:

	Fiscal year.		Increase.	Decrease.
	1911	1910		
Balance from prior years.....	₱2,531,041.94	₱2,269,642.10	₱261,399.84	.....
Income:				
Revenue from taxation.....	6,314,247.61	6,159,680.27	154,567.34	.....
Sundry revenue.....	239,653.10	256,051.19	.....	₱16,398.09
Other receipts.....	864,441.77	527,310.62	337,131.15	.....
Total income.....	7,418,342.48	6,943,042.08	475,300.40	.....
Operation expenditures:				
Administration.....	2,707,831.23	2,625,600.24	82,231.99	.....
Maintenance.....	1,482,501.79	1,024,331.50	458,170.29	.....
Total expense of operation.....	4,190,333.02	3,649,931.74	540,392.28	.....
Net income.....	3,228,009.46	3,293,101.34	.....	65,091.88
Totals.....	5,769,061.40	5,563,743.44	.....	.....
Capital expenditures:				
Plant.....	2,785,174.75	2,545,099.60	240,075.15	.....
Equipment.....	345,024.06	323,159.38	21,864.68	.....
Supplies and sales stock.....	306,973.83	6,805.64	.....	313,779.47
Total capital expenditures.....	2,837,172.64	2,875,064.62	.....	37,891.98
Other payments.....	185,493.57	156,636.38	28,857.19	.....
Balance at end of year.....	2,760,331.85	2,531,041.94	229,289.91	.....
Total.....	5,769,061.40	5,563,743.44	.....	.....

Under the provisions of Act No. 1979, the Governor General, upon the request of the provincial boards, approved the extension of the period for the collection of the 1911 land and cedula tax, without penalty, as follows: Bulacan, land tax until June 30, 1911; Cebu, land tax until August 31, 1911, cedula tax until June 30, 1911; Pampanga, land tax until June 30, 1911, cedula tax until May 31, 1911; Pangasinan, land tax until August 31, 1911, cedula tax until July 31, 1911; Samar, land tax until June 30, 1911; Tarlac, land tax until August 31, 1911, cedula tax until May 31, 1911. In almost every case the extension was granted because of the rigid quarantine enforced on account of the campaign against rinderpest, which interfered considerably with harvesting and marketing the crops.

There were no remissions of land tax granted either in whole or in part.

A greater amount of the available cash balances of the Provinces than formerly is being kept on interest-bearing deposits. The total amount on deposit on June 30, 1911, was ₱3,805,000, as compared with ₱3,089,500 on June 30, 1910. The interest accruing on this deposit was ₱114,085.48.

The collection of the ₱2 cedula tax was continued during 1911 by every regularly organized Province, one-half of the amount being used exclusively for the repair and construction of roads and bridges. There accrued from this source for this purpose for the fiscal year ₱1,877,559.

The arguments advanced in my last annual report for a change in the provincial fiscal year so as to make it conform to the municipal fiscal year, i. e., January 1 to December 31, are reiterated, and it is hoped that some action may be taken to bring about this highly to be desired result.

MUNICIPAL GOVERNMENT FINANCE AND TAXATION, EXCEPT CITY OF MANILA.

The municipal fiscal year being the calendar year the following report covers the period from January 1 to December 31, 1910:

TABLE No. 3.—Consolidated statement of municipal receipts and disbursements.

	General fund.	School fund.	Cemetery fund.	Public works fund (act No. 1815).	Total.
Balance Jan. 1, 1910.....	₱1,338,400.68	₱1,226,990.52	₱32,374.39	₱12,566.14	₱2,610,331.73
RECEIPTS.					
Sundry revenue.....	1,679,390.53	8,039.47	13,759.51		1,701,189.61
Revenue from taxation:					
Internal revenue—					
Percentage.....	677,043.30	671,705.14			1,348,748.44
Cedulas.....	917,241.58				917,241.58
Licenses.....	419,985.09				419,985.09
Weights and measures.....	31,809.50				31,809.50
Cedulas (act No. 83)....	69.00				69.00
Cart tax.....	19,727.50				19,727.50
Land tax—					
1909 and previous years.....	135,567.87	173,792.48			309,360.35
1910.....	503,125.41	575,407.52			1,078,532.93
Property tax.....	34,886.53				34,886.53
Licenses.....	493,897.39				493,897.39
Other receipts.....	34,832.37	118,304.01	300.00		153,436.38
Transfers between funds...		321,572.79	1,117.77	850.00	323,540.56
Total receipts.....	4,947,576.17	1,868,821.41	15,177.28	850.00	6,832,424.86
Grand total.....	6,285,976.85	3,095,811.93	47,551.67	12,416.14	9,442,756.59

TABLE NO. 3.—*Consolidated statement of municipal receipts and disbursements—Continued.*

	General fund.	School fund.	Cemetery fund.	Public works fund (act No. 1815).	Total.
DISBURSEMENTS.					
Administration:					
Salaries of—					
Officials.....	949,014.25				949,014.25
Employees.....	654,364.10	1,375,436.91	7,724.01		1,937,525.02
Police.....	869,702.88				869,702.88
Maintenance of police..	92,610.53				92,610.53
Office supplies.....	182,857.69	37,010.08			219,867.77
Rents.....	43,264.85	50,067.57			93,332.42
Street lighting.....	120,627.53				120,627.53
Fees, justice of the peace.....	258,142.64				258,142.64
Miscellaneous.....	276,207.48	20,959.05			297,166.53
Total administration.....	3,446,791.95	1,383,473.61	7,724.01		4,837,989.57
Maintenance roads, bridges, and buildings...	429,424.17	316,155.31			745,579.48
Permanent improvements:					
Roads, bridges, and buildings.....	380,810.12	454,955.21		2,643.71	838,409.04
Cemeteries.....			5,149.35		5,149.35
Total permanent improvements.....	380,810.12	454,955.21	5,149.35	2,643.71	843,558.39
Equipment:					
Office equipment.....	142,540.04				142,540.04
Street lighting.....	19,637.04				19,637.04
School equipment.....		55,515.12			55,515.12
Miscellaneous equipment.....	25,154.12				25,154.12
Total equipment.....	187,331.20	55,515.12			242,846.32
Miscellaneous credits:					
Repayment—					
Provincial loans...	31,286.83	4,937.50			36,224.33
Insular loans.....	42,500.00				42,500.00
Transferred to—					
School fund.....	321,572.79				321,572.79
Public works fund (act No. 1815).....	850.00				850.00
Cemetery fund.....	1,117.77				1,117.77
Total miscellaneous credits.....	397,327.39	4,937.50			402,264.89
Balance Dec. 31, 1910.....	1,444,292.02	880,775.18	34,678.31	10,772.43	2,370,517.94
Grand total.....	6,285,976.85	3,095,811.93	47,551.67	13,416.14	9,442,756.59

Eliminating the sum of ₱402,264.89 representing transfers between funds, the net amount available for expenditure was ₱9,040,491.70, an excess over last year of ₱524,041.79. The detail of the receipts and disbursements is shown by the foregoing table.

As mentioned in my last report, the rate of municipal taxation is absurdly low and absolutely inadequate to the maintenance of a satisfactory system of government. It is believed that legislation should be enacted authorizing municipal councils in their discretion to impose additional local taxation, and also giving them a somewhat larger participation in insular revenues.

LOANS TO PROVINCES AND MUNICIPALITIES.

The policy of making loans to Provinces and municipalities to enable the immediate construction of permanent public works has

been continued, and on June 30, 1911, such loans amounted to ₱1,045,244.97. The beneficent effects of this policy are seen in the modern markets, municipal buildings, provincial buildings, and jails, and bridges, which many Provinces and municipalities have been enabled to erect through their ability to negotiate loans payable in annual installments easily within their means.

OFFICIAL GAZETTE.

The Gazette in English and Spanish editions is still published under the old arrangement. The Spanish edition continues to be much more in demand than the English and is increasing in circulation faster.

PUBLIC DOCUMENTS.

In addition to the 1,301,264 printed documents on hand at the beginning of the fiscal year, 781,514 were received by the bureau from the bureau of printing, 57,500 unbound and 1,540 bound documents were received from Washington, and 7,000 were received from other sources in the United States and Manila, a total of 2,148,818. Of this number 962,791 were distributed during the year, leaving a balance on hand on June 30 of 1,186,027.

DIVISION OF LEGISLATIVE RECORDS.

The annual report of the secretary of the Commission, *ex officio* chief of the division of legislative records, contains detailed information of the work of the Legislature.

DIVISION OF ARCHIVES, PATENTS, COPYRIGHTS, AND TRADE-MARKS.

The work of this division in the way of searching the Spanish records for information as to Government land titles has been vigorously prosecuted during the year and a number of memoranda prepared, which will prevent much loss to the Government. During the year copies of over 400 documents, and numerous certificates were issued, the fees for which amounted to ₱1,415.84. Fifteen thousand one hundred and five new cattle brands were registered.

The increase of commercial activity in the islands is shown by the increased number of trade-marks registered, which is 177, as against 117 the year before. On the other hand, the number of new corporations fell off slightly, 13 foreign and 72 domestic stock corporations having filed their articles. The pay-roll expense of the division, including salary of the second assistant executive secretary, who continues in personal charge, was ₱25,247.50, and its receipts were ₱14,383.15, an increase of ₱2,409.35 over last year.

TRANSLATING DIVISION.

The number of translations made into European languages and local dialects was slightly larger than for the preceding year and amounted in all to 12,924 folios. Newspapers and other publications to the number of 2,141 were reviewed by this division, as compared with 3,823 the previous year, and interpreters were detailed for duty

with joint and Assembly committees of various kinds, the capital committee, the board of rate regulation, the agricultural conference, and on the occasion of the visit of the Secretary of War.

The total amount of revenue accruing to the executive bureau from the work of this division was ₱3,256.50, which represents only translations made for bureaus other than the executive and persons outside of the Government service.

RECORDS DIVISION.

The increase in the number of written communications received for record during the fiscal year was $2\frac{1}{2}$ per cent, 148,428 having been received this year, as compared with 144,807 the year before.

The cards required for briefing and indexing numbered 412,120, as compared with 473,232 the preceding year.

Communications of all classes, documents, and publications were mailed from this division during the year to the number of 911,219, an increase of more than 240,000 over the number mailed the previous year and 245,000 less than for the year 1909. These figures do not include those communications not entered in the mail or messenger books which are sent directly to the offices of the secretaries of departments.

The concrete addition to the ayuntamiento building, mentioned in the first paragraph of my report last year, was completed in October and is in every way a success. With new steel filing cases we now have a record room that for its size is believed to be unsurpassed anywhere. To safeguard the documents which it is necessary to have with us in Baguio, a nearly fireproof plain concrete room was erected on the hillside back of the executive building and put in operation during the last season. It serves the purpose well, and the danger to our records is reduced to a minimum.

BUREAU PERSONNEL.

No changes have taken place in position of officials of the bureau during the year. There were 56 appointees, including reinstatements and transfers among the employees, and 48 separations from the service by resignation, transfer, or removal. The number of officials and employees was slightly increased, consisting on June 30 of 30 Americans and 122 Filipinos, a decrease of 2 in the number of Americans and an increase of 10 in the number of Filipinos employed. Forty-two of the Filipinos employed are temporary appointees.

On July 1, 1910, the monthly salary pay roll was ₱22,121.22, and on June 30, 1911, ₱22,444.11.

The effort to reduce the paper work has been successfully continued, as is shown from the figures given under the heading "Records division."

Overtime work is still necessary in some of the divisions, but in all cases has been performed without complaint.

There can be no longer any doubt as to the beneficial effect upon the service of the season in Baguio. The one just finished furnished ample proof of this by the increased weight, vivacity, and generally improved appearance of the employees at the close. From an atti-

tude of indifference or dislike the average Filipino clerk has come to enjoy Baguio and to look forward to going again. Before the season opened this bureau started a project of building a number of cheap but good detached cottages which could be rented to the low-salaried employees at a price within their means and so enable them to live there with their families. Forty of these cottages in all were erected at a cost of ₱596.99 each, of which this bureau took 18. They were all rented and increased the contentment of their occupants greatly. The demand is such that probably as many more should be constructed for the next season.

Respectfully submitted.

F. W. CARPENTER,
Executive Secretary.

The GOVERNOR GENERAL,
Manila, P. I.

REPORT OF THE SECRETARY OF THE INTERIOR.

REPORT OF THE SECRETARY OF THE INTERIOR.

THE GOVERNMENT OF THE PHILIPPINE ISLANDS,
DEPARTMENT OF THE INTERIOR,
Manila, August 29, 1911.

GENTLEMEN: I have the honor to present the tenth annual report of the operations of the department of the interior, which, unless otherwise expressly stated, covers the year ended June 30, 1911.

WORK FOR THE NONCHRISTIAN TRIBES.

Work for the non-Christian tribes in the so-called special Government Provinces has on the whole progressed very steadily during the year. An unfortunate and unprecedented situation arose through the fact that accrued leave became due to nearly every officer engaged in this work who did not already have it overdue. The physical condition of several of the men rendered it imperative that they should be allowed to take leave at the same time, however ill their services could be spared. Willingness on the part of others to forego their rights and patiently to await the return of those who left the islands, and good fortune in securing the services of very competent men to assist in carrying on the work of the absentees, have made it possible to get through the year without serious interruptions.

I will briefly review the situation in each special Government Province or subprovince.

NUEVA VIZCAYA.

Gov. W. C. Bryant visited the United States on leave, having previously served in the islands so long that, under the law, leave had ceased to accrue in his case. He had been authorized to start for home at the time of the so-called Mandac rebellion, a local uprising of insignificant importance stirred up by an ex-governor of Ilocos Norte, who, upon being convicted of murder, made his escape and took to the hills. He ultimately reached Nueva Vizcaya, entering the Province disguised as an Aglipayan priest. After remaining for a brief time at the town of Solano, he established his headquarters at a small and remote barrio and planned a coup which was to include, among other things, the seizure of the arms of a garrison of Philippine Constabulary at Bayombong, the provincial capital. Assisted by several men of education and intelligence, he gathered a band of ignorant dupes by playing upon their credulity and their superstition. The plot might have met with some initial success had not the township secretary of Solano, who was one of Mandac's chief confederates, become alarmed and sent word to him that the uprising must come off at once, as the principal conspirators were about to be

arrested. As a result it took place prematurely and was promptly and very effectively ended. Mandac and his principal associates were captured, tried, convicted, and sentenced to long terms of imprisonment. Most of his ignorant followers were allowed to go their way unmolested, but as a lesson to others a few of the more responsible among them were arrested and tried. They received short jail sentences. There existed absolutely no known motive for this uprising, so far as the common people who were engaged in it were concerned, but its occurrence demonstrates the power which can be exerted for evil by a clever and unscrupulous criminal who knows how to play upon popular ignorance and superstition.

Owing to the activity of Mr. Norman G. Conner, who served as provincial governor during the absence of Gov. Bryant, and to that of Mr. H. J. Detrick, the assistant to the provincial governor for work among the Ilongots, with headquarters at Baler, our knowledge of the Ilongots has been materially increased and it has been possible to get into closer touch with them.

They are forest-inhabiting savages whose physical characteristics demonstrate their possession of a considerable admixture of Negrito blood. Many of them show a decided tendency to lead the nomadic life of the Negritos, while others have fairly permanent sites for their little villages, practically all of which have now been visited without misadventure either to their inhabitants or to Government officials.

Steady progress is being made in the construction of a good horse trail into the more thickly settled portion of their territory, but owing to the sparsity of the population and the tremendous distances which separate villages, it will never be possible either to construct or to maintain at reasonable expense any such system of horse trails in the Ilongot country as has been established in the Mountain Province. Visiting officials must make their trips on foot for the most part, and the work of building a system of footpaths will begin in the near future.

On the occasion of my last annual inspection trip there was assembled to meet me at Campote the largest and most representative gathering of Ilongots ever yet brought together, and it is anticipated that next year's gathering will be still larger.

There has been no known case of aggression by Ilongots against white persons or Filipinos during the year, although the more remote settlements continue to fight among themselves.

The effort to find a practical route for a trail from Baler to one of the Filipino settlements in Nueva Ecija was successful, but as the estimated cost of building such a trail was ₱45,000, and as investigation proved, contrary to expectation, that the forests through which it would pass are without Ilongot inhabitants and consequently do not form part of Nueva Vizcaya, it is impracticable for that Province to construct it. In my opinion it ought to be constructed, as the people of Baler are now cut off from communication with the outside world during a not inconsiderable portion of the year.

THE SITUATION IN THE MOUNTAIN PROVINCE AND ITS SEVERAL SUBPROVINCES.

The work of the government of the Mountain Province has suffered but one interruption during the year. It proved desirable to accept the resignation of Lieut. Gov. Blas Villamor, of Apayao, and

Lieut. Clark, of the Philippine Constabulary, was appointed acting lieutenant governor in his stead. At this time word was apparently spread among the wild Tinguians of this subprovince that there was to be a change in the established kindly policy of the Government and that they were to be harshly dealt with. There was absolutely no foundation for such statements, yet they caused the temporary abandonment of a number of villages and interfered seriously with the progress of the work which had been inaugurated in this subprovince.

During the year the subprovincial launch used in maintaining communication between Taut and the seacoast went out of commission through neglect. A considerable sum was expended on the construction of a road from Ngagan, the usual head of navigation of the Abulug River, to Taut, the subprovincial capital, without the accomplishment of any real construction work. Substantial progress was, however, made on the Apayao portion of the trail system which is to form a part of the main line north from Twin Peaks in Benguet to Claveria on the coast of northern Luzon, and will in the near future connect with the other portion of this line, which at present extends from Baguio to the northern boundary of the subprovince of Kalinga.

The most important piece of new work remaining to be done in northern Luzon is in the Subprovince of Apayao, in many parts of which head-hunting is still unchecked. Mr. Norman G. Conner, who served as governor of Nueva Vizcaya during Gov. Bryant's absence, and whose experience with the Ilongots will be of great assistance to him in his new field, will be appointed lieutenant governor of Apayao in the near future, and it is hoped that it may be possible to report decided improvement in the situation in this subprovince at the end of the next fiscal year. Meanwhile it is worthy of note that during the year just ended there has been no case of attack upon whites or upon Filipinos by the rather warlike people of this subprovince.

THE SITUATION IN THE SUBPROVINCE OF BONTOC.

In Bontoc, as in the other remaining subprovinces of the Mountain Province, there has been no serious disturbance of public order during the year. The new provincial building and the building which is to serve as a penitentiary for the hill people of northern Luzon have been practically completed. Each structure is admirably suited to its purpose and both are substantially constructed. A small modern hospital building is rapidly approaching completion, and when equipped will be of inestimable value to the people of this region, who are now for the most part more than willing to give up their ancient custom of endeavoring to cure their physical ills by placating the spirits of the dead, and show a rather touching confidence in the ability of the white man to afford them relief.

A ditch which will furnish the town of Bontoc with an abundant supply of pure mountain water has been nearly completed.

Road and trail work has been largely confined to improvement of the main line from the Lepanto boundary to Bontoc and from Bontoc to the Ifugao boundary, at the crest of the Polis Range, the Cervantes-Bontoc Trail having been widened sufficiently to make its use feasible by narrow-tread carts shortly after the visit of the Secretary of War.

The people of the Subprovince of Bontoc have, with insignificant exceptions, cooperated cheerfully with the Government in the construction of public works and the apprehension of criminals. The few cases of head taking which have occurred have been promptly and effectively dealt with.

THE SITUATION IN THE SUBPROVINCE OF IFUGAO.

Lieut. Gov. Jeff D. Gallman, of the Subprovince of Ifugao, to whose individual effort is largely due the establishment of most satisfactory conditions among its population of approximately 125,000 people, who until recently were inveterate head-hunters, went to the United States on well-earned and long overdue leave. His duties have been performed during his absence in a most satisfactory manner by Lieut. Owen A. Tomlinson, Philippine Constabulary. The condition of public order in the subprovince has left practically nothing to be desired. Some 24,000 men labored 10 days each on road and trail work. Existing trails were not only well maintained but were in many instances widened, straightened, and otherwise improved, while much new trail was constructed. It did not prove possible to complete the trail between Banaue, Ifugao, and Bugias, Benguet, quite to the Benguet boundary, as the necessary explosives did not arrive in time. The disinclination of vessels engaged in the interisland trade to transport dynamite and powder is a constant source of irritation to the officials of the special government Provinces and of delay in the carrying out of road and trail work which it is their duty to perform. Orders for dynamite, fuse, and caps not infrequently remain unfilled for six to eight months.

THE SITUATION IN THE SUBPROVINCE OF KALINGA.

Rapid progress has been made in the Subprovince of Kalinga during the year. Under the direction of Lieut. Gov. Walter F. Hale the main trail north was completed to the Apayao border, with the exception of work on three rock bluffs, which was nearly completed. That portion of the main line south between Lubuagan and Bangad was widened, and is now in excellent condition.

The most noteworthy event of the year was the securing of some 300 firearms. The fact that these firearms were in the hands of the Kalingas had long been well known. It would have been possible to take many of them by force, but Lieut. Gov. Hale believed that with patience the people could be persuaded voluntarily to give them up, and it seemed to me best to give him a free hand in the matter. He secured the voluntary surrender of some 250 firearms; the rest were finally taken by force.

The people of one small group of settlements had long openly defied him. More than a year ago, when he attempted to visit them, they threw lances at him. He gathered up the lances and returned them with a polite intimation that such action on their part was discourteous and that he wanted to make friends with them. He was assured that they would not be his friends, but, on the contrary, desired to fight him. Indeed, he was informed that they would take his head at the first opportunity. For nearly a year he patiently tried to establish friendly relations with them, utilizing as go-betweens

certain of the inhabitants of friendly neighboring towns. His efforts were, however, entirely fruitless, and in the end four of the hostile settlements "broke their peace" with neighboring settlements of their own people and started on the warpath, thus making summary measures imperatively necessary. Lieut. Gov. Hale, assisted by a strong detachment of Philippine Constabulary, under command of Capt. Harris, and by a number of his own headmen among the Kalingas, visited the offending settlements and severely punished them. "Houses" (the people of this particular region live in mere shacks of little value) were burned, pigs were killed, and other damage was inflicted. Four of the people of the settlements were killed, but in fair fights which they themselves started. A number of fire-arms were taken. The expedition ended upon the arrival of an unexpected and undesired contingent of Kalinga reinforcements. It was feared that these people, who were anxious to aid Lieut. Gov. Hale, and were probably at the same time not averse to taking a stray head or to plundering their enemies, might prove difficult to control and they were accordingly accompanied to their homes.

This expedition accomplished the desired result. Participation in it by a considerable force of friendly Kalingas, who obeyed orders and refrained from improper conduct, was a noteworthy event.

The leading men of the offending settlements promptly got in touch with Lieut. Gov. Hale, and on my annual visit to Lubuagan I had the pleasure of conferring with them at that place, to which they had come voluntarily. The vigorous and effective action taken in this case renders the necessity for similar action in Kalinga in the future improbable.

THE SITUATION IN THE SUBPROVINCES OF AMBURAYAN, LEPANTO, AND BENGUET.

The Igorots of the Subprovinces of Amburayan, Lepanto, and Benguet are, with few exceptions, peaceful agriculturists, and the very worst of them seldom get beyond cattle stealing. Disturbances of public order among the Igorots in these subprovinces are practically unknown. Road and trail work has progressed steadily during the year, and the results have been very satisfactory, especially in Lepanto, where a new low-grade trail has been built from the top of the divide at Loo to Mancayan. It will soon reach Cervantes. The provincial buildings and grounds at Cervantes have been greatly improved, and conditions at that place have so changed for the better that I have promised the people to recommend its restoration to the status of a township if I find on my next annual inspection trip that they have continued to improve. Because of the unsatisfactory attitude of the people of this place, who were, with few exceptions, Filipinos, its township government was temporarily taken away, and it was given instead the form of government of a "rancheria," or settlement of wild people, and was thus brought under the immediate control of the subprovincial authorities.

In Benguet the so-called Mountain Trail affords a line of communication with the north country which is not subject to interruption by flood, as only one small river is crossed within the limits of the subprovince. This trail proves easier to maintain than was anticipated. Portions of it must ultimately be widened, but much of

it is already of cart road width. It runs at a height of 5,000 to 7,000 feet above sea level. Comfortable five-room rest houses have been erected along it at intervals of 30 kilometers. It passes through tropical vegetation of unsurpassed beauty, commands magnificent mountain views, and should in the near future become a route much traveled by tourists.

THE SITUATION IN PALAWAN.

The most important event which has occurred during the year in Palawan is the transfer to the southeast coast of all the Moros who previously inhabited the southwest coast and its adjacent small islands. This latter region, on account of its inaccessibility, had become a place of refuge for evildoers among the Moros of the southern Philippines and of north Borneo, and its lawless population was steadily increasing. A Moro who is good according to the standards of his own tribe is a sufficiently difficult person to deal with, and one who is a criminal when judged by those standards is about as bad a man as can be found in the Philippines. The Moro settlements on the west coast were, for the most part, in very inaccessible places, approach to them being almost necessarily made by boat through mangrove and nipa swamps which afforded every opportunity for ambush and the delivery of a short-range fire which could not be effectively returned. Firearms and ammunition were smuggled in some quantity from Borneo.

Under existing provisions of law, the governor of any special government province may, with the approval of the secretary of the interior, require members of non-Christian tribes to take up their residences at a place or places indicated by him if such a course is deemed to be in the interest of public order. The desirability of ordering the Moros of the west coast to take up their abodes in readily accessible places on the east coast had long been apparent, but it was deemed best to await some occurrence which would render the justice of such a course entirely evident to the Moros themselves. Such an occurrence took place when an unprovoked attack was made on the party of the secretary of the interior at Culasian Bay during August, 1910, and when Datto Tumay, whose people made this attack, refused to come in and explain their conduct after being ordered to do so. The transfer of all Moros to the east coast was then ordered and the order was carried into effect. The people were furnished Government transportation for themselves and their effects, and were rendered all possible assistance in the establishment of their new villages. They were, furthermore, provided with food until able to look after themselves, and the opportunity to work at good wages was given to everyone willing to avail himself of it. This undertaking succeeded beyond all expectation, and the success attained is due in a very large measure to the cordial and effective cooperation of Maj. J. P. Harbeson and of the officers and men of the Philippine Scouts serving under his command in the Province of Palawan. Maj. Harbeson not only minimized the danger of bloodshed by placing at the disposal of the Province a force strong enough to make it apparent to everyone that resistance would be fruitless, but rendered invaluable assistance with the transportation at his disposal, while the admirable discipline and high efficiency displayed

by the officers and men under his command greatly expedited the work, and at the same time very materially aided in the establishment and maintenance of friendly relations with the people thus necessarily subjected to measures which were sufficiently distasteful to them without being made unnecessarily harsh. The effect on public order in Palawan produced by the transfer of the west-coast Moros has been very marked. Murder and robbery have already become rare in their new territory and many of them are now performing the first hard and honest labor of their lives. It is apparently safe to go through their country unarmed. No effort has been spared to bring home to them the fact that the measures adopted in this case were not inspired by any feeling of hostility toward them personally, and that when Moros demonstrate their willingness to become law-abiding citizens the Government is willing and anxious to aid them in every possible legitimate way.

The prosecution of public works in Palawan has been greatly hampered during the year by lack of funds. Nevertheless, material progress has been made in trail construction and in the improvement of telephonic communication.

Mr. Olney Bondurant, assistant to the provincial governor for work among the Moros, was called to the United States by illness and death in his family, and has not yet returned. His place has been very acceptably filled by Lieut. C. M. Spears, who had become thoroughly familiar with the Moro problem in Palawan during the transfer of the Moros from the west coast, in which movement he rendered valuable assistance, and whose knowledge of native dialects has been of great help.

THE SITUATION IN MINDORO.

In the Province of Mindoro a special effort to put the Filipino towns in a satisfactory sanitary condition has long been in progress. A large measure of success has been attained. I believe that there is no regularly organized Province which has towns as clean and sanitary on the average as are the towns of Mindoro to-day.

Work among the Mangyans has not progressed as rapidly as I had hoped and expected. Prior to my departure for the United States I gave Gov. Louis J. Van Schaick explicit instructions relative to this work. Personal reasons made him desire to visit the United States, and, although his claim for leave privileges was less strong than that of most other officers of special government Provinces, he took leave without beginning the work which I had outlined for him. His temporary successor, the provincial secretary, made no effort to perform this work. Mr. Chas. W. Franks, who soon replaced the provincial secretary as acting governor, promptly took it up and began active preliminary exploration.

Gov. Van Schaick returned to the Philippines after a very brief stay in the United States. Shortly after his arrival he began explorations in the Mangyan country, which necessarily terminated with the oncoming of the rainy season. Anyone familiar with climatic conditions in Mindoro will realize that this result was inevitable. A year has thus been well nigh frittered away so far as concerns work for the wild people of Mindoro, and no substantial new result has been obtained save the gathering of a limited amount

of information of permanent value. The continuance of such conditions during the coming year can not be tolerated.

Considerable progress has been made with road and trail work and the extension of telephone lines between the several towns on Mindoro Island. The condition of public order during the year has left little to be desired.

THE SITUATION IN THE PROVINCE OF AGUSAN.

Gov. Frederick Johnson, who had served continuously in the Philippines for many years without leave, to the serious detriment of his health, went on leave in April; and his active career has since been terminated by the amputation of a leg injured during an expedition against the Manobos at the time of the murder of Mr. Ickis.

He had served as governor of the Province of Agusan since its establishment, and had labored hard and unremittingly to promote its interests, especially during the early constructive period when the absence of proper means of transportation on the Agusan River and its tributaries rendered it necessary for him to live in native dugout canoes for weeks at a time. His place has been temporarily filled by Lieut. Col. John R. White, of the Philippine Constabulary, and the work in the Subprovince of Butuan, where the governor of Agusan resides, has suffered no interruption. During the year the condition of the provincial capital has been enormously improved, and it now bids fair soon to become a model town. Road work has progressed, though somewhat slowly. A channel has been opened through the swamps between Clavijo and Viruela, thus opening the upper Agusan River to launch navigation. The channel between Viruela and Bunauan has been materially improved. The series of Manobo stores has been extended. New stores have been opened in Talacogon and in Butuan.

THE SITUATION IN THE SUBPROVINCE OF BUKIDNON.

Greater progress than ever before was made with road, trail, and bridge work in this subprovince. With one insignificant exception, every stream between the coast and Malaybalay is now bridged. Many miles of trail have been broadened to cart road width. Several of the grades leading into the river canyons have been materially improved. A substantial residence has been built at Malaybalay for the lieutenant governor at a cost of but ₱2,000. The little towns of this subprovince continue to be models of cleanliness and good sanitation. A number of new ones have been established and the old ones steadily grow, as people who have heretofore lived in the hills are attracted to them. The experiment of furnishing a few disk plows and draft cattle, so that the people may be able to break the heavy sod of the fields near their towns and cultivate the underlying rich soil, has proved so successful that additional plows and animals will be provided.

THE AGUSAN-MORO PROVINCE BOUNDARY DIFFICULTY.

In the absence of any artificial monuments or any objects which could well serve as a basis for a boundary line, the eighth parallel

of latitude was selected by the Philippine Commission as the boundary between the Province of Agusan on the one hand and the districts of Davao and Cotabato of the Moro Province on the other. The exact position of this parallel had never been determined, and some uncertainty naturally existed as to its location on the ground. However, no trouble resulted until a subordinate officer of the Moro Province wrote a somewhat intemperate letter to Gov. Johnson, of Agusan, claiming jurisdiction over territory since shown to lie well within the limits of the Province of Agusan. Upon learning this fact I directed Gov. Johnson and Lieut. Gov. Lewis, in the event of any future dispute with Moro Province officials relative to boundary matters, quietly to withdraw from the territory claimed by the Moro Province and to report the facts to me in order that I might take the matter up through the Governor General with the governor of the Moro Province. This seemed to me a wiser course than for subordinates to quarrel over matters which they were powerless to settle.

I had for some time suspected that the Mailag Valley, which had been administered as part of the Subprovince of Bukidnon, lay south of the eighth parallel, but as it was distant but three hours' ride from the capital of Bukidnon, and was cut off by trackless forests and unnavigable streams from all communication with the Moro Province, the Bukidnon officials had, with my approval, assumed control over it and had exercised such control to the very great advantage of its people. I had expressed to the governor of the Moro Province my belief that this territory theoretically lay within his jurisdiction, but I had not understood that any effort would be made to occupy it pending the prospective adjustment of all boundary questions between the two Provinces, which had been provisionally arranged for. In August, 1910, a party from the Moro Province came into Bukidnon over the main trail from the coast and then divided, part of its members returning by the route followed in entering the subprovince, and the remainder going west to the Molita River and southwest on or in the vicinity of this stream to its point of union with the Pulangui River, and then descending the Pulangui to Cotabato. The head of this party was Maj. Heiberg, governor of the neighboring Cotabato district of the Moro Province, and one of its members was Capt. Signor, United States Navy, who brought with him proper instruments and proceeded to locate the eighth parallel and to announce the result of his observations, which showed, as had been anticipated, that most of the Mailag Valley lay within the Moro Province.

I have since been informed by the governor of the Moro Province that this trip was strictly "unofficial" and that Capt. Signor was not even requested by him to locate the eighth parallel. No advance information as to its objects, or that it was unofficial in character, or, indeed, that it was to be made at all, was given to the officials of the Province of Agusan or to the secretary of the interior, and Lieut. Gov. Lewis was, therefore, without instructions in the premises. However, as he had received specific instructions from me temporarily quietly to vacate any territory which might be claimed by the Moro Province, and as the Mailag Valley had been shown to be within that Province by a supposedly official expedition sent out by it, he immediately withdrew his authority from it, at the same time informing the visiting officials of the Moro Province that he

was doing so, and communicating with me both by cable and by letter. It had been our intention to settle the whole question of the Agusan-Moro Province boundary at one time rather than to take it up piecemeal. The same mail that brought Lieut. Gov. Lewis's letter brought also a letter from the governor of the Moro Province requesting me to allow boundary matters in the Agusan River Valley to remain in statu quo until he himself could visit the disputed territory. This I gladly agreed to do, putting Lieut. Gov. Lewis's communication in an office file with all other papers pertaining to the Agusan-Moro Province boundary. Before the governor of the Moro Province visited the Agusan River Valley, which indeed he has not yet done, I was called to the United States, and it did not occur to me prior to my departure to bring this matter, to which I attached little importance, to the attention of the Governor General. The papers connected with it were retained in my office.

A considerable period elapsed before the Moro Province asserted its authority in the Mailag Valley. Meanwhile a robbery was committed at the town of Mailag, and later the Barton hacienda was raided by Manobos, with some of whom its owner was on bad terms. The occupants of the place were badly frightened, and property to the value of ₱400 or ₱500 was stolen. On the afternoon of the day of the raid the raiders were attacked just as they were departing by a detachment of Philippine Constabulary from Malaybalay, aided by Señor Manuel Fortich, assistant to the provincial governor, and by his servant and the presidente of Malaybalay. Some 12 of them were killed and others wounded.

**CRIMINAL CASES BROUGHT AGAINST LIEUT. GOV. LEWIS AND ASSISTANT,
MANUEL FORTICH.**

Meanwhile, as might have been anticipated in view of the attitude of the neighboring Province of Misamis, which was fully set forth in my last annual report, a heavy fire had been opened during my absence on Lieut. Gov. Lewis and Assistant Manuel Fortich by certain of the Misamis people, aided by an ex-constabulary officer whose resignation had been accepted for cause. Mr. Eugene Barton, the owner of the Barton hacienda, had taken an active part in the hostile machinations, and Messrs. Barton and Griffiths had openly boasted that they would drive both Mr. Lewis and Señor Fortich out of the subprovince, and that if they did not "get" them on one charge they would on another.

On December 5, 1910, the Governor General directed Mr. Lewis to resume authority over the Mailag Valley. This order reached Mr. Lewis on the 6th and was made known to Mr. Barton and others on the same day. The following morning they left for the coast. On arrival there Mr. Barton forwarded to the Governor General a letter dated December 12, 1910, embodying numerous serious charges against Mr. Lewis, and when, on December 13, 1910, that official reached Cagayan de Misamis on his way to inaugurate road work in the western part of Bukidnon he was arrested by two Filipino policemen on two criminal charges, to wit, "estafa" and the falsification of a public document. A determined effort was made to prevent his getting bail so that he might be thrown into jail, but it failed. Immediately thereafter, on December 15, followed an order for the

arrest without warrant of Señor Fortich for murder, it being alleged that he had ordered the killing of wounded Manobos at the time of the Barton raid. When these several cases came up in court they collapsed miserably. The case against Señor Fortich was withdrawn at the request of the man primarily responsible for bringing it, and the cases against Lieut. Gov. Lewis were withdrawn on recommendation of a lawyer from the attorney general's office at Manila who was especially assigned by the Governor General to investigate the matter. He found that they were spite cases brought by a private prosecutor.

There is not a shadow of evidence to show that Señor Fortich ordered the killing of any wounded Manobo, and it is my opinion that instead of being prosecuted for murder he should have been praised for the courage and energy he displayed on the day of the Barton raid. Had it not been for him it is probable that the raiders would have escaped unpunished; and had his suggestion as to the guarding of a ford that they would necessarily utilize on their retreat been acted upon, it is probable that all, or nearly all, of them would have been killed or captured. It has been charged that Lieut. Gov. Lewis renounced authority over the Mailag Valley out of hostility toward the Bartons, who were actively seeking to bring about his removal and with whose rough treatment of the wild people he had interfered. The charge is preposterous. Mr. Lewis abandoned with regret this territory in which he had worked hard. He abandoned it pursuant to his correct interpretation of general instructions given him by me. I alone am responsible for the action which he took and for its result. Had the unofficial character of the expedition from the Moro Province been made known to me, all subsequent embarrassment would have been avoided.

It may be mentioned in passing that Capt. Signor, who started back for the coast the day after locating the eighth parallel near Mailag, also subsequently located the intersection of the eighth parallel with the Agusan River in the Subprovince of Butuan. In this case, too, I have been informed by the governor of the Moro Province that his action was unofficial and was not requested. However, the Moro Province has officially, and very properly, occupied the territory up to the boundary thus unofficially established.

RECOMMENDATIONS RELATIVE TO THE BOUNDARY BETWEEN THE MORO PROVINCE AND THE PROVINCE OF AGUSAN.

I have the honor to make the following recommendations covering the whole subject of the boundary between the Moro Province and the Province of Agusan:

1. The detached portion of the territory of Bukidnon, in western Misamis, is desired by the Moro Province. It is contiguous to territory belonging to the Dapitan district of that Province, which is inhabited by non-Christians of the Bukidnon tribe. It is completely detached from the remaining territory of the Subprovince of Bukidnon. I am of the opinion that in the interest of effective and economical administration it should be transferred bodily to the Moro Province.

2. It is conceded by all concerned that the Mailag Valley, on the upper watershed of the Pulangui River, can not be advantageously

administered as a part of the Moro Province, but should form a part of the Subprovince of Bukidnon. Just where the new boundary should run is a question of some difficulty. It had been practically agreed that the south boundary of the Subprovince of Bukidnon should be the watershed of the Pulangui River down to and including the Kulaman River, the Pulangui River itself, thence to its point of union with the Molita River, and the Molita River thence to its source, unless it should prove that there are a considerable number of Moros in the territory between the Molita River and the Pulangui River; but I am at this writing (Aug. 29) just in receipt of a suggestion from the governor of the Moro Province that as the Pulangui River is navigable for launches up to the point of union with the Molita River, and as both it and the Molita River are navigable for native boats for considerable distances above this point, the territory between the Pulangui and the Molita Rivers and a straight line joining the head of navigation of the Molita and the falls of the Pulangui should be allowed to remain in the Moro Province, as it is accessible by water to officials of that Province and can therefore be more easily reached by them for purposes of administration than by the officials of Bukidnon. Furthermore, its satisfactory administration by the officials of the latter Subprovince would involve much preliminary road and trail construction. I am of the opinion that this argument is sound, and recommend that the suggestion of the governor of the Moro Province be favorably acted upon, except as to the point of intersection of the line from the head of navigation of the Molita with the Pulangui, which, in my opinion, should be the point of union of the Kulaman and the Pulangui.

The present boundary between the Subprovince of Butuan and the Moro Province is the eighth parallel of north latitude, which cuts off practically all the territory inhabited by Mandayans and ends the administrative jurisdiction of the authorities of the Province of Agusan at a point where the largest river in the Philippines is navigable at all times for launches. In fact, the Agusan River can be ascended in light-draft launches throughout practically the entire year up to Compostela, and it and its branches are available for navigation by native boats for a considerable additional distance. The character of the Mandayans makes the maintenance of a garrison among them desirable, and communication can be established with their territory from the Moro side only after the construction of many miles of road and trail through a difficult country. The situation, in other words, is precisely that which exists in the territory above referred to between the Molita and Pulangui Rivers, except that in this latter case the line of water communication reaches the sea through the territory of the Province of Agusan, and the cost of road and trail construction would fall upon the Moro Province. In each case the water route will inevitably be the trade route. In each case, also, the country can be most readily reached for administrative purposes by water. At the present time school supplies are being sent to the Mandaya country through Butuan, and subsistence supplies are being purchased there from the Manobo stores. The Subprovince of Butuan is equipped with water transportation, and I recommend that the territory in question be added to it for the same reason assigned by the governor of the Moro Province for leaving

the territory between the Molita and Pulangui Rivers in the Moro Province, which reason I consider valid in each case.

However, in view of the important part which the personal equation demonstrably plays in the control of non-Christian tribes, I recommend that the transfer be not actually consummated prior to the time when it may be necessary or desirable to appoint a successor to Lieut. Gillmore, who is at present administering the affairs of the Mandayans. The proper time for the transfer will, in my opinion, arrive when Lieut. Gillmore's tour of duty in the Mandaya country ends.

WORK FOR NON-CHRISTIAN TRIBES IN THE REGULARLY ORGANIZED PROVINCES.

In my last annual report I fully discussed the status of this work. During this year there has been no substantial change in the situation then described. The officials of the few regularly organized Provinces which had previously interested themselves in bettering the condition of their non-Christian inhabitants have continued to do so. The apathy displayed by the officials of the remaining Provinces containing non-Christian inhabitants continues.

THE BUREAU OF HEALTH.

GENERAL HEALTH CONDITIONS.

General health conditions throughout the year have been unprecedentedly good and are now better than at any time since the American occupation. The number of cases of cholera has been comparatively unimportant. The islands have continued free from bubonic plague, one case arriving on an incoming vessel from Amoy having died in quarantine at Mariveles. Smallpox steadily decreases. Leprosy is now rare outside the Culion colony.

Eight thousand two hundred and seventy-nine deaths occurred in Manila during the year, of which 3,779 were without medical attendance. Although this may seem an astonishing condition of affairs, it is a comparatively short time since 50 per cent or more of the deaths were without medical attendance. The ignorance and superstition of the common people in health matters are gradually being overcome. Free dispensaries, free medical service, and free obstetrical service for the poor are beginning to play an important part in improving health conditions at Manila and, together with the free surgical clinics at the Philippine General Hospital, bring good medical and surgical attention within the reach of all. Eight municipal physicians are employed to render gratuitous assistance to the poor. They are men of high character, who take a deep interest in their work. During the year 7,768 patients were visited by them, and they wrote 31,780 prescriptions. At each station of the bureau of health there are one or more midwives to attend confinement cases among the poor, and in the effort to lessen infant mortality the Philippine Medical School conducts an important free obstetrical service, in connection with which Filipino trained nurses are sent out to instruct mothers in the care of their babes.

SIMPLE-REMEDY PACKAGES.

In view of the fact that many municipalities throughout the islands were entirely without medicines, the bureau of health has provided packages of simple remedies, together with a small pamphlet in English, Spanish, and the more important native dialects, giving information as to their use. This effort to have at least the more isolated municipalities provided with a few important simple remedies is meeting with some success, the number of packages sold being 226, as against 92 for the previous year. Medicines for use among the people have been furnished gratuitously to missionaries and others who are in a position to employ them intelligently. Very large quantities of some of the safer and more useful drugs, such as quinine, have been given away. Every municipality in the islands ought to be kept constantly supplied with disinfectants, in order that dangerous communicable diseases may be attacked immediately upon their appearance. Emergency disinfecting packages, designed to meet this end, have been prepared by the bureau of health. They cost but ₱10, with one disinfecting pump, or ₱16 with two, yet only 14 were purchased during the year.

SURGICAL RELIEF FOR THE POOR.

A systematic effort has been inaugurated to ascertain the whereabouts of persons suffering from chronic curable surgical ailments, such as tumors, clubbed hands and feet, hare lip, cleft palate, goiter, squint, hernia, incipient cancer, tuberculosis of bones and joints, constructive blindness, and other operably relievable maladies. District health officers have been instructed carefully to prepare lists of such persons within their several districts, in order that, when opportunity offers, they may be given the benefit of the admirable free clinic at the Philippine General Hospital. As a majority of afflicted persons in the Provinces are too poor to pay the cost of a trip to Manila from their homes, I took up with the insular auditor the question of the availability of the bureau of health contingent funds for this purpose. He finally ruled that such expenditures would not be questioned if approved in each individual case by the secretary of the interior. Under the existing arrangements indigent persons before being brought in are carefully examined by competent surgeons, to the end that needless expense may not be imposed on the Government, and that false hopes of cure may not be aroused only to be dashed. In view of the attitude of many of the more ignorant inhabitants toward surgical work it was highly important at the outset to limit the Government free work to cases which offered reasonable hope of recovery and relief. I have caused it to be known that, subject to the above limitations, I will approve every request which I receive for the allowance of transportation expenses until available funds are exhausted. It should be understood that there is no specific appropriation made for this purpose, and that I can authorize the use of such funds only as may be saved by economy in other expenditures; but an immense amount of good has already been accomplished, especially in the relief of eye troubles, and I am of the opinion that the Legislature could not do better than to make specific appropriation of a considerable sum, to be used in bringing worthy cases to

the hospital, in paying the actual cost of their maintenance there, and in returning them to their homes. Each person thus relieved is sure to be a real missionary, and in my opinion there is no equally effective way to disseminate among the Filipinos knowledge of the possibilities of modern medicine and surgery.

As an illustration of the practical working of this policy I will cite a specific case. Mention has already been made of the fact that Ehrlich's "606" is a specific for yaws. A Bontoc Igorot suffering from this disease was found at Barlig, where lived some of the wildest people of the northern Luzon Mountains. An effort was made to persuade him to go to the little temporary hospital at Bontoc, which he was unwilling to do. He was in the end practically compelled to go, and having received the one injection necessary for a cure, and being left without further medication during three or four days, he complained bitterly that no medicine was being put on his sores. Then the marvelous effect of the drug began to manifest itself. In a few more days he was allowed to leave the hospital for brief intervals and went around the town excitedly demonstrating his improved condition to all who would look. Suddenly he disappeared, to the great disappointment of the physician in charge, who had hoped to use him as an object lesson in convincing others of the efficacy of the drug. To the amazement of everyone, he reappeared a few days later with 13 persons, victims of yaws, from his town, whom he himself had persuaded to come to the hospital and had brought in on foot a distance of some 50 miles.

FREE TREATMENT FOR RABIES.

A free Pasteur institute has been established in connection with the bureau of science. In cases where persons bitten by mad dogs can not be brought to Manila, the material for treatment, with simple, clear instructions for its use during each of the 25 days over which the treatment extends, is sent out to the Provinces to be administered by the nearest available physician.

RECOMMENDATIONS RELATIVE TO THE ESTEROS AND UNDRAINED LANDS OF MANILA.

Through the establishment of a new water system and of a modern sewer system and the installation of the pail conservancy system in many of the outlying and hitherto insanitary districts, health conditions in Manila have been enormously improved. The most serious obstacle which must now be overcome in putting the city into a thoroughly sanitary condition is that afforded by the existence of a number of filthy esteros, or tidal creeks, and of extensive area of low-lying, undrainable land, some considerable portion of which is at present thickly settled. The ownership of the esteros has been determined to be vested in the city of Manila and the responsibility for their improvement has thus been fixed. The committee which took up this matter has made various recommendations, of which I will quote the following:

That there are barrios which are so insanitary as to make it inadvisable that they should continue to be occupied for residential purposes until they are drained or filled in, which embrace about 6,900,000 square meters, all of

which is below the elevation of 11.50, city datum; that the filling necessary to raise these to elevation 11.50 is about 4,500,000 cubic meters; and that all low-lands in the city should be filled in before any of the foreshore or beach is reclaimed.

That streets and alleys be cut through the congested and insanitary areas and that new sanitary areas be provided for nipa shack dwellers at such places as they can be made sanitary.

For years the director of health and the secretary of the interior have urged the opening of streets and alleys through these congested and insanitary areas. It was obvious that while they might be temporarily disinfected as an emergency measure they could not be kept sanitary until streets were opened along which vehicles for the removal of night soil and garbage might pass, while the recurring expense involved in disinfecting country literally by the square mile, which we were compelled to do during cholera epidemics, was very great. In my opinion, no two better recommendations intimately concerning public-health conditions in Manila have ever been made, and I trust that active steps will at once be taken to carry them into effect.

THE ELIMINATION OF BERIBERI.

In my last annual report I called attention to the executive order of the Governor General, issued upon recommendation of the director of health and the secretary of the interior, forbidding the use of polished rice in Government institutions because of the demonstrated relationship between a diet too largely composed of such rice and the prevalence of beriberi. The result of this order has been all that could be hoped for. Beriberi has been eradicated from Bilibid Prison, Iwahig Penal Colony, Culion Leper Colony, San Lazaro Hospital, and the tuberculosis camps of the bureau of health, and is to-day nonexistent in Government institutions.

PHILIPPINE ISLANDS ANTITUBERCULOSIS SOCIETY.

This society was organized in Manila July 29, 1910. Its object is clearly indicated by its name. Its establishment meant the inauguration of a popular movement for the combating of tuberculosis in the Philippines. Much has already been accomplished. The society has taken over the San Juan Tuberculosis Sanitarium and has established five free dispensaries in Manila. It has carried on a large amount of most valuable publicity work, which will have the effect of enlightening the ignorant as to the practical methods of curing the victims of tuberculosis and of preventing the spread of infection. Branches of the society have been established at Iloilo, Cebu, Dumaguete, and Zamboanga. Although the movement is, and should remain, a popular one, the bureau of health has rendered all possible assistance, supplying free of charge furniture and medicines for the sanitarium and free dispensaries, and aiding in other ways with its personnel, its equipment, and its funds.

IMPROVED AMBULANCE SERVICE.

The electric ambulances of the bureau of health have proved economical and highly satisfactory. They have greatly facilitated the prompt and comfortable transfer of the sick and the injured to hos-

pitals. The ambulance attendants, who are all Filipinos, are rendering very satisfactory and efficient service. The present number of ambulances is insufficient to meet the increased demand resulting from the establishment of the general hospital and will soon be increased.

CEMETERY REGULATIONS.

The new regulations for placing and maintaining cemeteries in a proper sanitary condition, which were adopted after full and careful consideration of the interests of all concerned, have operated very successfully and with practically no friction.

PHILIPPINE TRAINING SCHOOL FOR NURSES.

The training of young Filipino women as nurses has been steadily prosecuted with uninterrupted success. The authorized number of such nurses has been increased by providing for the appointment of a total of four female student nurses annually from Agusan, Nueva Vizcaya, the Mountain Province, and the Moro Province. Thus far efforts to train young men as nurses have resulted less satisfactorily. However, they have been of much shorter duration. The pupils in attendance at the school during the past year numbered 107, of whom 38 were males and 69 females. They made an especially satisfactory record at the time of the great disaster resulting from the eruption of Taal Volcano, when a large number of dreadfully burned people were brought to the hospital, necessitating the hasty equipment of new wards and the doubling of the hours of work of the nurses. The heavy extra work involved was borne without a murmur, and, indeed, many of the nurses asked to be assigned to still longer hours.

RELIEF IN THE FIELD OF PERSONS INJURED BY THE ERUPTION OF TAAL VOLCANO.

After several days of premonitory disturbance there occurred a terrific explosion in the crater of Taal Volcano on the night of January 30, 1911. At the outset the appalling magnitude of the resulting calamity was not realized. This was largely due to the fact that in the area affected by the ejecta the destruction was either so slight as to be almost negligible, or so complete as practically to leave no one to tell the tale. Whole villages were absolutely and almost instantaneously wiped out of existence. The peculiar nature of the resulting conditions will be realized when I state that the ratio of the number injured to the number killed outright was approximately as 1 to 14.

In the reports of physicians, nurses, and others, the injured or wounded are constantly referred to as "seriously burned," but after careful investigation I am convinced that in a large number of cases they were not really burned. The final terrific explosion had been preceded during a considerable period by the almost continuous discharge of steam and mud from the crater, and at an interval of about 60 minutes by a very heavy explosion which had still further loaded the air above the crater with those heavy materials. Against this great mass of air thus burdened an enormous volume of matter

thrown heavenward by the final outburst impinged, and the inertia of the overlying mass was such as to spread the force of the final explosion downward and outward. A blast of air and gases of terrific violence radiated on all sides from the volcano, as is shown by the direction taken by trees and saplings which were broken short off and driven before it, and by the slant of the more flexible bamboos and giant tropical grasses which it bent but did not break. The bark on the volcano side of stumps of trees was in some cases obliterated and in others cut as fine as tow, but showed not the slightest sign of carbonization, and while the exposed portions of the bodies of the victims seemed to be horribly burned, the thinnest clothing, even when semitransparent, sufficed to protect the flesh underneath and was not itself burned. It, therefore, seems evident that these injuries were really produced by a violent current of air and gases charged with minute volcanic ejecta, the whole acting like a sand blast.

In some cases the positions of the bodies of the dead indicated that they had been quickly and painlessly suffocated by noxious gases; and in a few isolated cases all the occupants of a single room or of a single house were killed in such a manner as to suggest the theory of local explosions of gases from the volcano, ignited by the flames of lamps or fires.

On January 31, as soon as it became known that there were injured persons to care for, Medical Inspector Schapiro and Assistant Inspectors Tago and Marques were rushed to the scene of the disaster with a large supply of surgical dressings and supplies. Shortly afterwards Medical Inspector Snodgrass was sent to Indang, Cavite, with dressings and supplies. He brought back 18 patients to the Philippine General Hospital and then returned to the stricken district. Temporary hospitals were established in Taal, San Nicolas, Pansipit, and Bayuyungan, and patients were also cared for in the military hospital at Batangas and by the bishop of Lipa.

The force of the explosion was such as to cause a wave to radiate outward from the volcano on the waters of Bombon Lake which surrounds it, and this wave also created havoc and loss of life in the villages on low ground along the lake shore.

CHOLERA.

During the year there were a total of 6,649 known cases of cholera as against 9,957 for the year 1909-10, and 20,223 for the year 1908-9. No case was reported between March 9, 1911, and the end of the year.

ANTISMALLPOX VACCINATION.

Vaccination against smallpox has been actively pushed, the total recorded vaccinations during the year numbering 1,167,984. The civilized population is now well protected against smallpox and a beginning has been made in vaccinating the people of the wild hill tribes. As a result smallpox has ceased to be a very important factor in the Philippine death rate.

COOPERATION BETWEEN THE MUNICIPAL BOARD AND THE HEALTH
AUTHORITIES IN THE IMPROVEMENT OF SANITARY CONDITIONS IN
MANILA.

In some previous reports I have with regret deemed it necessary to criticise the attitude of the municipal board of the city of Manila, and more especially that of the city engineer, toward fundamentally necessary sanitary public improvements. It gives me special pleasure to state that the conditions complained of terminated with the appointment of Mr. C. W. Hubbell as city engineer. Mr. William H. Robinson, the present city engineer, has actively seconded all efforts tending to the betterment of sanitary conditions in Manila. This, together with the assistance given by the municipal board in the all-important matter of the establishment of thoroughly sanitary barrios or wards, to which the poor inhabitants of low-lying infected lands could be transferred, has combined to render possible comparatively rapid improvement in sanitary conditions.

UNSATISFACTORY SANITARY CONDITIONS AT THE CULION LEPER COLONY.

On inspecting Culion Leper Colony in July, 1911, I found to my very great surprise that sanitary conditions there were far from satisfactory. This state of things at the outset seemed to me unpardonable, but further investigation revealed the existence of an anomalous and perplexing situation. The work of cleaning this leper town would presumably involve serious danger to nonleprous persons who undertook it. At all events it would be impossible to find any considerable number of such persons who would be willing to undertake it. Many of the lepers themselves are in a physical condition which unfits them for work of any sort. It is an unfortunate fact that many of those who were hungry and half naked prior to their transfer to the colony, and the number of such persons is very large, have been somewhat spoiled by the comforts and ease of their life at Culion, and having made up their minds that the Government owes, and will give them a living, are indisposed to perform work of any sort, even if physically entirely fit to do so. I was met by urgent demands from lepers to be paid for this, that, or the other little service which they had rendered. I informed them that they would be adequately paid for all work performed by them for the colony except that necessary to keep it in a proper condition of cleanliness, and to maintain its streets and walks, but that those who were able-bodied would be required to attend to these matters free of charge. This involved only two days' work per month on the part of each able-bodied resident. The lepers cheerfully agreed to this arrangement at the time, but later when it came to doing the work, most of them were missing and the willing few attempted to perform duties which should have been distributed among many. These facts came out at a subsequent visit to the colony, when I found conditions greatly improved but still unsatisfactory, and was informed that of 40 to 60 people listed to work on a given day not more than 6 to 20 would report for duty. The idlers felt comparatively secure, as they were already in effect under confinement and well knew that we would not resort to any violent form of punishment in dealing with them. Under these circumstances, I called a

meeting of those concerned and informed them that in future the roll of those detailed for keeping the colony clean would be called at a fixed hour daily, and the leper police would look up absentees; that any absentee physically unfit to work would be excused, but that those perfectly able to work and not reporting for duty would be transferred to a suitable inclosure, where they would be furnished with an abundance of water, but would be left without other subsistence until such time as they were willing to perform the light duties required of them. They seemed to take good naturedly the fact that they had finally been outwitted, and it is not anticipated that there will be any further trouble on this score. It should be possible to make the Culion Leper Colony a beautiful place and it is hoped that the colonists will soon begin to take a personal interest in bringing about this result.

ATTITUDE OF THE PUBLIC TOWARD SANITARY WORK.

There has been noteworthy improvement during the year in the attitude of the Filipino public toward sanitary work, both in Manila and in the Provinces, and the vicious effort of a portion of the public press to misrepresent the purposes of the bureau of health and the methods employed by it in attaining them, and to alarm and prejudice the ignorant and the superstitious, which so long continued, has been conspicuously absent. The beneficent work of the Philippine General Hospital for the poor is beginning to exert a far reaching influence in convincing the common people that the hospital is a place in which to get well, rather than a place in which to die. The training for the Government service of a large number of Filipina and Filipino nurses, and the employment of the really well-trained young Filipino physicians and surgeons, who are now being educated in this country, are helping to convince the people that there does not exist among the officers who control the public health service the slightest prejudice against the Filipino as such, but that on the contrary, we are only too glad to secure the services of competent Filipino men and women.

The policy imposed on officers and employees of the bureau of health in dealing with the public is set forth in the following extract from its manual:

In dealing with the officials and with the people, regardless of their station in life, all employees of the bureau of health are enjoined by this office to exercise tact, perseverance, courtesy, and good nature, so as to command their friendship and respect. Energy and earnestness of purpose are powerful factors in the promotion of confidence, while idleness and indifference bring about distrust and opposition; hence, employees of the bureau of health are expected to be energetic and alert and to exercise initiative ability in planning their work. If this is done the cause of sanitation in the Philippine Islands will go forward to success, and discord and discontent will give way to confidence and cooperation.

HOSPITALS.

The Philippine General Hospital was formally opened on September 20, 1910, during the visit of the Secretary of War. The following day there were transferred to it the patients from the civil hospital, and this latter institution, which had performed a great work, although handicapped by utterly inadequate quarters, passed into history. The general hospital has an administration building,

a surgical pavilion, a kitchen building and five ward pavilions, all connected by broad corridors which, like the buildings themselves, are of reenforced concrete. The detached buildings are a nurses' home, a dispensary and outclinic building, and a garage for the electric ambulances. The detached buildings were not completed when the hospital was opened, and there was not available equipment sufficient to prepare all of the wards for occupancy at once. These are now fully equipped and full of patients. Indeed one ward intended to accommodate 60 patients has had as many as 80. It is, unfortunately, now necessary to utilize all of one ward and half of another in providing quarters for male nurses and other employees. This situation should be remedied as soon as possible, as the ward space is badly needed by the sick, for whom it was intended.

Further details as to health conditions, and as to the work of the bureau of health, will be found in the annual report of its acting director.

The completion of a service building, now nearly finished, will relieve it to a large degree.

QUARANTINE SERVICE.

The work of the United States Public Health and Marine-Hospital Service in the Philippines has been performed with its usual efficiency throughout the year. Bubonic plague has been very prevalent in neighboring countries, and it has been necessary to impose a seven-day quarantine on passengers and crews of vessels from Amoy, Saigon, and Phnom Penh and on steerage passengers from Hong-kong. Shortly after quarantine was declared against Amoy a case of plague occurred on a vessel from that port. It was landed and cared for at Mariveles, and there was no extension of the disease.

Extreme precautions have been taken to prevent the introduction of plague by rats. Not only have vessels been required to lie clear of piers and to use rat funnels on all mooring ropes, but a vigorous campaign has been waged against shore rats living in the vicinity of all piers at which ocean-going vessels tie up. Situated, as we are, within three or four days' voyage of numerous ports which are more or less constantly plague infected, it is remarkable that we have been able to keep the disease out so long, but every reasonable precaution will be taken to keep up the very satisfactory record thus far made.

IMMIGRANTS.

The examination of prospective immigrants by officers of the United States Public Health and Marine-Hospital Service at several ports prior to their departure for the Philippines and the care now taken by steamship companies to exclude persons likely to be ordered deported on account of their physical condition are continuing to produce marked improvement in the physical condition of arriving immigrants. Of the 3,001 examined during the year admission was denied to but 32 in all, of whom 22 were turned back at Manila and 11 at Iloilo, trachoma being the cause in every instance.

There have been no unusual events in connection with the quarantine work to call for special comment. Full details in regard to it will be found in the annual report of the chief quarantine officer for the Philippine Islands.

THE BUREAU OF FORESTRY.

ADMINISTRATION OF SPECIAL FORESTS.

Exceptional interest attaches to the administration of the Bataan and the northern Negros forests for the reason that some time since the working force of the bureau of forestry was somewhat increased in order to enable the director to carry out plans proposed by him for the betterment of conditions in these forests, including the more satisfactory control of lumbering operations and the checking of the widely spread practice of making unauthorized caingins, or forest clearings, with the resulting needless destruction of valuable timber.

THE BATAAN FOREST.

There are some 73,000 hectares of public-forest land in the Province of Bataan. A special service for this tract was organized late in the year 1909. Some time was necessarily consumed in effecting the needed organization and in opening trails, so as to make the work of employees effective. The director of forestry states that the proper dues are now collected on practically all timber cut in this forest, whereas formerly timber in considerable quantity escaped the payment of dues. The unlawful making of caingins has been almost entirely stopped, and authorized caingins have been largely restricted to land which had formerly been cleared, is now covered with second growth, and lies outside of the lines which have been established for the proposed permanent forest.

Many ignorant persons holding forest licenses have been materially assisted in the proper preparation of their invoices and other papers. It is probable that a considerable amount of firewood cut for sale in the Bataan forest still escapes the payment of Government charges. This is a matter of minor importance. The really important thing is that this great forest, situated directly across the bay from Manila, should be so administered as to render it permanently productive, instead of allowing the continuance of practices which would rapidly destroy it. It is believed that it is now being protected with a reasonable degree of effectiveness, although more men are needed than can at present be employed, and there is further need of repairs to the patrol trails in the eastern part of the Province and the construction of a new and similar western patrol trail, which should run, like the eastern one, on the approximate line between land which may profitably be cleared and used for agricultural purposes and land which should be permanently kept in forest.

As a result of the combined efforts of the governor of Bataan and employees of the bureau of forestry a considerable number of homestead applications have been filed within the past year. The importance of persuading people to settle down permanently, and properly to improve fixed tracts of lands, is, of course, self-evident, as is the desirability of persuading them to become the owners of their holdings.

THE NORTHERN NEGROS FOREST.

The northern Negros forest includes an immense body of very valuable timber lying in the northern half of the island of Negros. Within its limits there are two large tracts covered by the 20-year-exclusive licenses of the Insular Lumber Co. and the Negros-Philip-

pine Lumber Co., respectively. The comparatively rich and thickly settled coastal plain of Negros Occidental depends upon this forest for construction timber, and, to a large extent, for fuel. Prior to the organization of a reasonably adequate system of supervision indiscriminate cutting had caused great havoc in many parts of this forest, the damage done being so great as to necessitate close restriction of cutting in certain districts, and its entire prohibition in others, for a number of years.

As the result of the establishment of a special service for this forest the operations of the large licenses are now being closely supervised, and experience has shown that there was decided need of such supervision. Special attention has been given to the problem of securing adequate reproduction in areas already partially cleared. Land which is now being logged over will be kept in permanent forest until the great body of unimproved open land lying between the forest line and the coast is occupied and cultivated to a very much larger extent than at present.

The director of the bureau of forestry reports that the employees of the licensees operating in this forest are working in cooperation with forest officers to prevent useless waste of timber and the destruction of young growth, and that the improvement in the condition of the logged areas brought about during the past year is especially noticeable. Government charges have been collected on merchantable logs abandoned in the forest, which tends to discourage such wasteful neglect. Probably fraudulent claims of private ownership to extensive forest tracts have been, and are being, investigated, and the making of unauthorized cañings has been largely checked. The opening up of additional patrol trails in the near future is highly desirable.

THE ARAYAT FOREST.

Mount Arayat is an isolated extinct volcanic peak rising from the great level plain which forms so large a part of the Provinces of Bulacan, Pampanga, Nueva Ecija, and Tarlac. A considerable part of this plain has long been under cultivation, and the ruthlessly destructive methods formerly followed have effectively wiped out most of the commercial forests with which its uncultivated portions were doubtlessly formerly covered. Mount Arayat is forested from base to summit, and while the timber growing on it is neither very dense nor very desirable as compared with that growing in the more valuable forests of the islands, its unique situation in the center of a rich agricultural, deforested plain renders its proper conservation and development extremely important.

The more accessible portions of this forest on the lower slopes of the mountain have already suffered severely from overcutting, and the issuance of cutting licenses for wood other than match wood has been suspended during the year. In the near future it is proposed to divide the entire area into "communal forests," one of which will be assigned to each of the neighboring towns. It is believed that the towns will then appreciate to a much greater extent than at present the importance of properly caring for their forest tracts, and that they will be on the alert to prevent depredations on them by people of other towns.

THE MAQUILING FOREST.

This forest includes some 5,500 hectares of public forest lands on and in the immediate vicinity of Mount Maquiling, in the Provinces of La Laguna and Batangas. It is practically surrounded by valuable agricultural lands, a considerable part of which are under cultivation. Not only does it furnish lumber and fuel to the large population in its vicinity, but it provides a practice area for the students of the Government forest school located at its base. All the public forest lands of this forest have recently been declared a forest reserve by proclamation of the Governor General. The work of the bureau of forestry in this reserve has been largely confined to the prevention of illegal cutting and of unlawful caingins, and to the investigation of titles to parcels of land which are privately claimed. Owners of bona fide claims are being given all reasonable assistance in securing title, but a determined effort will be made to prevent the securing of private title to lands unlawfully claimed.

SPECIAL COOPERATIVE WORK.

Two special pieces of cooperative work of benefit both to the Government and to private individuals have been carried out during the year, the persons benefited having undertaken to reimburse the bureau of forestry for all expenses incurred, including the salaries of forest officers detailed. The first project was a forest study of the Valle del Sabani Hacienda, in Nueva Ecija, including the making of a detailed estimate of the various kinds of commercial timber on the tract, recommendations for logging the area and for utilizing the timber, and a topographical map showing the land divided into commercial and noncommercial forests, cultivated areas, grass land, etc., together with full recommendations as to irrigation and transportation. This work, which resulted satisfactorily to all concerned, was performed by a Filipino forester educated in the United States.

The second cooperative project consisted in the making of a map and an estimate showing the location and amount of matchwood in five municipalities of La Laguna Province, with a view to the issuance of an exclusive license for the cutting of this matchwood and the making of adequate provisions for a new crop by planting, which is entirely feasible, as Philippine matchwoods are quick growing.

THE FOREST SCHOOL.

The forest school began its second year on June 12, 1911. There have been created 35 scholarships, one for each Province organized under the provincial government act, and one for each of the special government Provinces of Palawan, Mindoro, and Batanes. Similar provisions should be made at once for Nueva Vizcaya, Agusan, the Mountain Province, and the Moro Province, and the undersigned will submit to the Commission in the near future the necessary act.

Each scholarship entitles the holder to reimbursement for his traveling expenses from his home to Los Baños, where the forest school is located, to free living quarters, free tuition, and to a monthly cash allowance of ₱25. Most of the required textbooks are also furnished free of charge. The total present enrollment of the school

is 46, there being 15 pensionados in the senior class, 29 in the junior class, and 2 private students.

The forest school is conducted as a part of the College of Agriculture of the University of the Philippines. The full course covers a period of four years, the first two of which are occupied by work identical with that performed by students in agriculture. The teaching force in the technical courses in forestry is supplied by the detail of foresters from the bureau. Under the arrangement entered into the obligation to employ pensionados who graduate from this school rests upon the Government, and adequate provisions should be made for the employment of 15 of these young men who will graduate on March 15, 1912. The director of forestry recommends that they be appointed "probationary rangers," with a minimum salary of ₱60 per month. They will require some ₱40 per month for living and traveling expenses while in the field. After six months of probationary work, graduates who have not rendered satisfactory service should be dropped and those who have given satisfaction should be appointed rangers, with an initial salary of ₱70 per month. It is believed that this school will serve a very useful purpose in training up competent Filipino employees for the forestry service, a consummation greatly to be desired, both on account of the increased economy which should result, and because of the increased stability which the service will possess when its officers and employees can be selected to a much greater extent than at present from among the permanent residents of this country. I strongly recommend that adequate provision be made in the coming appropriation bill for the support of this school and for the employment by the Government of competent students and graduates from it.

FOREST MUSEUM AND FOREST EXHIBITS.

A good museum collection of logs and planks of Philippine timber has been installed in the museum building on Calle Anloague, and it is being added to as opportunity offers. Planks are finished in their natural colors without artificial fillers or stains, and each specimen bears a label giving practical information as to strength, durability, supply, and prices of the wood which it represents. This collection has already proven of great value in interesting visitors from other countries in Philippine hardwoods.

During the year the bureau has made forestry exhibits at the Philippine carnival, at the provincial exposition of western Negros, at the fair of the Moro Province, and at Singapore.

A so-called "traveling exhibit," comprising 6-foot planks of the principal commercial species, polished to show natural grain and color, specimens of the more important minor forest products, and collections of forest maps, and of figures and statistics, has been prepared with a view to its use at provincial fairs and expositions.

FOREST NURSERIES.

The bureau has maintained four nurseries during the year, as follows: One in the Bataan forest at Limay, one in the northern Negros forest at Fabrica, one on the grounds of the forest school at Los Baños, and one at Baguio. In the latter nursery are grown many

species of forest trees from other countries in order to ascertain whether the climate and soil of Baguio are suited to them. There are also grown ornamental plants in considerable number and variety for sale to the residents of Baguio who desire them for the beautification of their grounds.

PUBLIC LAND REPORTS.

One thousand eight hundred and twenty-nine parcels of land were inspected during the year, of which 1,608 were found to be more suitable for agricultural than for forest purposes. There are still pending 1,551 applications for land which persons desire to homestead, lease, or purchase.

CAINGINS.

I have already referred to the success of the efforts to prevent the making of unauthorized caingins in the four special forests. The director of forestry further reports that in North and South Ilocos, the Cagayan Valley, Masbate, Ambos Camarines, and Cebu, regions which are relatively frequently visited by forest officers, there has been a marked decrease in the number of illegal caingins, but that in many other provinces extensive destruction of valuable timber has occurred.

It is unfortunately often true that the ignorant tao who actually makes and plants the clearing is not primarily responsible for the violation of law involved, having been egged on by some rich land owner who furnished him the seed for his crop. Under such an arrangement the poor tao runs all the risk, does all the work, and even then gives half of his crop to the cacique, while the latter annexes the caingin to the land which he claims to own.

THE FREE-USE PRIVILEGE.

The director of forestry continues to mourn over the extension to residents of the privilege of obtaining from the public forests without charge timber for their personal use. He states that nearly 1,000 gratuitous licenses for first-group woods were granted during the year, which he says means a loss in revenue of at least ₱25,000, and will, in the end, deprive certain regions of all their merchantable first-group timber. He further states that as much of the timber is desired for house posts a great number of undersized trees are cut, while persons who have large trees cut and sawn into boards could in nearly all cases afford to pay the low forest charges. He further states that rare and valuable first-group trees are used for purposes for which more abundant lower-group timbers would give just as satisfactory service, and that while the law permits the free use of first-group timber there is no inducement to economy and a great deal of unnecessary waste occurs. While I may be in error, I do not concur fully in the views of the director of forestry on this subject. It seems to me that it is quite as well that merchantable timber should be utilized by the person cutting it for the construction of a good durable house for his family as that it should be sold, with the not remote possibility that the profits of such sale will be frittered away, and I believe that the loss of ₱25,000 of revenue is a matter

of insignificant importance compared with the beneficial results coming from the construction of homes in which the owners can take justifiable pride. As to the tax-paying ability of persons who can afford to bring in large trees, it is the custom in such Provinces as Nueva Vizcaya for a poor family first to erect, some distance back of the highway, a small shack of light materials which will ultimately serve as a kitchen, but temporarily answers for a dwelling; then to construct in front of it, little by little, the hardwood frame for a good house, closing the house in at the outset with light materials, and gradually replacing these with hardwood boards, a single large log of hardwood being kept under the house so that its inhabitants may work away at sawing boards whenever opportunity offers. The tax-paying power of such people is usually small, and their industry, perseverance, and foresight are, in my opinion, worthy of encouragement.

COMMUNAL FORESTS.

Communal forests have now been established for 68 towns, and 40 others have applied for them. In my opinion, their request should be granted at the earliest practicable time, as the establishment of such forests tends to minimize the troubles arising from the free-use privilege of which the director of forestry complains. Obviously where the residents of a town can cut their free timber in one area only, they are likely to be more careful about cutting undersized timber and about utilizing what they do cut than if they have free access to every conveniently situated tract of Government forest.

SPECIAL WORK IN THE MORO PROVINCE.

Although funds for the carrying on of forestry work available during the fiscal year just closed were very inadequate, I informed the Commission at the time appropriations were made that I should reestablish in the Moro Province the forest service which was discontinued there at the time the appropriations and the personnel of the bureau of forestry were cut down in 1905, even if this course involved the abandonment of much-needed work elsewhere in the archipelago, as the very great importance of the forest wealth of Mindanao, Basilan, and Tawi-Tawi, and the extent of commercial operations already inaugurated there seemed to me to demand such a course. I carried out this plan, and am of the opinion that the wisdom of expending in the Moro Province the sum necessary to perform this work has been abundantly demonstrated by the increased revenue obtained, as well as by the enforcement of proper cutting regulations throughout areas where commercial operations are being conducted upon a considerable scale.

Fifty-seven ordinary timber licenses and 11 gratuitous licenses were issued in the Province during the year. Two hundred and twenty-two thousand kilos of almaciga (gum damar) and 70,000 kilos of gutta percha were exported. Forest charges on almaciga were reduced from ₱1.50 to ₱1 per 100 kilos, and those on lumbang nuts were abolished. The price of gutta percha has declined materially, and exports of it have correspondingly declined. These factors have all tended to reduce the total revenue. The director of

forestry is of the opinion that the establishment in the Moro Province of a special forest service, such as exists in the Bataan and northern Negros forests, would increase the total revenue obtained there at least 25 per cent.

FOREST MUSEUM AT ZAMBOANGA.

Through the public spirit of the local lumbermen, who donated to the bureau of forestry their exhibits at the Zamboanga fair, it has been possible to start a forest museum at Zamboanga which has been installed partly in the office of the forester in charge and partly in two adjoining rooms made available by the provincial authorities. This exhibit, which will be of especial interest and value to persons investigating the possibilities of the lumber business in Mindanao, already needs considerably more space than is available.

RUBBER PLANTING IN THE MORO PROVINCE.

Two companies have begun rubber planting on a considerable scale. The planting of Ceara rubber has been given up, for, although the trees grow very rapidly, their sweet roots are subject to attack by deer and wild hogs which eat them, and by white ants which bore into and destroy them. Only Para rubber is now being put out.

INTEREST OF THE MORO PROVINCE IN THE FOREST SERVICE.

The establishment of a more adequate forest service was earnestly requested by the authorities of the Moro Province. They have rendered the employees conducting it every possible assistance throughout the year.

NEED OF A PUBLICITY CAMPAIGN.

I heartily concur in what the director of forestry has said in his annual report relative to the need of giving greater publicity in the United States to the opportunities offered by lumbering in the Philippine Islands, and wish to incorporate in my report his statements on this subject which follow:

The need for the continuation of an energetic propaganda in the United States to show the opportunities offered by lumbering in the Philippines has been shown repeatedly and strongly during the past year. The demand for Philippine lumber has always exceeded the amount manufactured, but at present the disproportion is probably greater than ever before. There is, of course, no question about the amount of standing timber available for exploitation, timber of such kinds and so situated that it can be logged with a substantial profit. Only a very small fraction of the commercial forests of the islands have been touched. The policy of the Government toward the lumbermen is an exceptionally liberal one. The forest charges are half, or less than half, those for similar classes of timber in neighboring tropical countries. An indication of the financial stability of most lumber companies in the islands is shown by their policy of using their earnings to extend their operations and increase their equipment and capacity. Yet the local demand alone is in excess of the amount of lumber manufactured, and timber users find it difficult to fill their needs even at the prevailing high prices. For a time it appeared that the Government would find it impossible to obtain locally the timber needed for the construction of the schoolhouses authorized by the last session of the Legislature, and serious consideration was given to importing Oregon pine and California redwood to supply local needs. Fortunately such an anomalous

situation was averted through the joint action of a committee appointed for the purpose by the Governor General and the newly formed Philippine Lumber Manufacturers' Association. The shipment of Philippine lumber to the United States, although small at present, could be made at once to assume large proportions if the capacity of the local mills were increased to provide a sufficient surplus over local demands. China presents an almost inexhaustible field for the cheaper grades of lumber not suitable for export to the United States or Europe.

Excellent situations are available for long-term exclusive licenses. The one thing needed is capital, and this can be induced to come in only by persistently spreading a knowledge of the local situation and opportunities among possible investors. The principal methods of the bureau in its propaganda work consist in the preparation and wide distribution of bulletins, circulars, and leaflets advertising the forest resources of the Philippines and the opportunities in exploiting them; articles in magazines of general circulation and lumber-trade journals; correspondence; and the distribution of wood samples.

During the past year there was issued as Bulletin No. 10 of this bureau a work entitled "The forests of the Philippines," which contains by far the most complete information yet collected on the subject. It is divided into two parts, published separately. Part I is given up to a discussion of forest types and products, containing a full discussion of the relation of the Government toward the licensees who exploit the public forests; and Part II contains a detailed description of the principal forest trees, with short references to a great number of species of secondary of slight present importance. Both parts are fully illustrated.

Much interest has been attracted to the forests of the islands by a leaflet issued by the bureau entitled, "Manila, the future distributing center for the Far East." It is attached to this report as an appendix.

The distribution of so-called hand specimens of Philippine woods has been greatly extended during the past year and the usefulness of each specimen has been decidedly increased by attaching a label giving in a concise form the most important information concerning the species, such as its structural qualities, durability, supply, customary sizes, principal uses, etc. Partly with the idea of preventing such samples being requested by those who have no real interest in Philippine woods, but who yield to the opportunity of getting something for nothing, and partly to help meet the expenses of preparation, and so permit the bureau to extend the work, a price of 20 centavos has been fixed for each specimen of most of the species; and in the case of a comparatively few species, which either are very rare or whose extreme hardness or toughness of grain makes their preparation a slow and expensive process, the price has been fixed at 40 centavos. A leaflet advertising the possibility of obtaining such specimens was prepared and given wide distribution, principally through newspapers and trade journals, and the demands for them continue to come in. Two thousand eight hundred and ninety-seven such specimens were distributed during the year, and several large additional orders are now being filled.

If the necessary funds are available during the present fiscal year it is desired to install small forest exhibits in suitable locations in the principal lumber centers of the United States, more especially in Chicago, Minneapolis, Seattle, and San Francisco. Such an exhibit would consist of about thirty 6-foot polished planks of the principal commercial species of the islands, a collection of rattans, almaciga, gutta-percha, tan bark, and other minor forest products, together with forest maps, statistics, and literature. Arrangements have also been made with some of the principal lumber journals for a series of articles on Philippine trees and forests. The vacation trips of foresters of the bureau to the United States are used to provide an opportunity for the giving of lectures, and for consultation with possible investors.

20-YEAR EXCLUSIVE LICENSES IN BENGUET.

Owing to the absence of white ants and other timber-destroying pests, pine lumber grown in Benguet, which would be of little or no value for construction purposes in the lowlands, is available for use in the regions where it is produced. The development of Baguio as the summer capital of the Philippines has been handicapped from the outset by the insufficiency of the lumber supply, which has not

increased as rapidly as has the demand. One 20-year exclusive license has been issued, and one is about to be issued. Each covers one of the few large forest tracts within reasonable distance of Baguio. In view of all these facts it was deemed necessary to exercise special care in preparing these license agreements, each of which calls for a minimum annual cut of 4,000 cubic meters, at least half of which shall be available for purchase by the residents of Baguio at a price which shall not exceed ₱70 per 1,000 feet, board measure, at the lumber yard, or ₱75 per 1,000 feet delivered at any point within 2½ kilometers of Government center.

This provision will materially reduce the cost price of lumber at Baguio and will, it is believed, adequately protect the public.

OTHER EXCLUSIVE-LICENSE AGREEMENTS.

A 20-year exclusive-license agreement has been entered into with the Rio Grande Rubber Estates (Ltd.). It concedes the privilege of collecting rubba, gutta-percha, and other gums and resins for a period of 20 years on the watershed of the Cabagan River in the Cotabato Valley. The company is required, among other things, to furnish a capital of ₱100,000 for the prosecution of the work; to plant 100 hectares in rubber and gutta-percha, with at least 400 rubber and gutta-percha trees to the hectare, during each of the 10 years following the first planting provided for in the agreement, at least 10 per cent of such trees to be gutta-percha; and to keep at least 400 living trees of rubber and gutta-percha on each hectare planted. The interests of native collectors of forest products are protected by a provision binding the licensees to pay them for all forest products gathered at the prices which may be current at the local markets or Moro exchanges in the valley.

A five-year exclusive license for the privilege of cutting firewood in the mangrove swamps on Fort Barrera Bay, Masbate, has been granted to the Colorado Mining Co.

RESTRICTIONS ON EXPORTATION OF LUMBER FROM CERTAIN PROVINCES.

It has been found advisable in certain regions to refuse licenses for the cutting of timber intended to be exported from the Province or island where it is grown owing to the relationship between supply and demand in the regions in question.

NECESSITY FOR AN INCREASED APPROPRIATION FOR THE BUREAU OF FORESTRY.

I feel that I have been conservative, probably too conservative, in my requests for appropriations for the bureau of forestry since the amount authorized to be expended by this bureau was cut down in 1905. It has seemed to me wise to let the work justify itself. I think it has done so.

While it is idle to talk of the value of timber on forest lands which are at present entirely inaccessible as if it were an immediately available asset, and while it is equally idle to talk about the total value of the forest products of the Philippines as if it were a known sum and were not of necessity based on guesses as to the area of forest lands

and the value per acre of forest products, it is a hard fact that the forests of the Philippine Islands are of very great potential value and that this value will steadily increase as improved means of transportation render them more accessible and as the depletion of the forests of other countries causes prices to rise. Under proper supervision forest tracts can be cut over and their value in many instances actually increased by the removal of full-grown trees and of trees of more or less useless species, which give light and air to young trees of the more valuable kinds.

We should indeed be false to our trust to the Filipino people if we allowed the reckless cutting methods and *caingin* making which have until recently prevailed to continue, while the operations of large corporations might, if uncontrolled, add seriously to the total damage.

There are some 16,000,000 hectares of public forests, and the stand of merchantable timber has been roughly estimated at 200,000,000,000 board feet. The value of forest products now utilized annually is approximately ₱5,000,000. The appropriation for the bureau of forestry during the year was ₱149,000. The force authorized and available for looking after the public forests consists of 10 American foresters, 2 wood experts, 1 forest nurseryman, 1 topographer, 4 Filipino assistant foresters, 11 Filipino head rangers, 13 Filipino rangers and assistant rangers, 1 Filipino draftsman, 4 American and 10 Filipino clerks, and 1 messenger. Not only is this force very inadequate to do the work which ought to be performed, but the appropriation is inadequate to keep even this force at work throughout the year.

I do not allow bureau chiefs to incur deficits in order to perform work needing to be done in spite of the fact that there is no appropriation to cover the cost, and when it became necessary practically to suspend field work three months before the close of the fiscal year in order to get through the year on the funds available, I ordered the work suspended. This involved the loss of that quarter of the year best suited for carrying on forest work in most portions of the islands and the discharge of temporary employees who had gained a considerable amount of experience, tended to disorganize the service by keeping a considerable number of high-salaried employees comparatively inactive on account of lack of funds to pay their traveling expenses, caused loss of revenue to the Government, and resulted in much preventable destruction of valuable timber by the making of *caingins*, which would have been avoided had it been possible to keep the force of the bureau in the field.

It does not seem to me that there is anything in the present financial condition of this Government to justify such manifestly false economy, especially in view of the fact that the small increases in the force of the bureau of forestry authorized within the past few years have in each case been quite promptly followed by increases in forest revenues which have usually been a good deal more than sufficient to defray the increased cost of the bureau.

The lumber business of the Philippines is growing, and it is likely to grow more rapidly as time goes by. It is not good business policy to make no corresponding increase in the funds expended to develop this industry and in safeguarding the public forests. The revenue collected on forest products is the best index we have as to the

growth of the lumber industry, and I recommend that a reasonable fixed percentage of this revenue be set aside by law for the support of the bureau of forestry.

BUREAU OF SCIENCE.

BUILDINGS.

The new wing of the bureau of science building is approaching completion. It will provide adequate quarters for the division of mines, the section of fisheries, the entomological collections and laboratories, the ornithological collections and workrooms, and the library, thus affording proper space for collections and for work not before adequately provided for and making it possible to vacate a considerable number of rooms originally planned and furnished for the performance of laboratory work in chemistry, bacteriology, and pathology, but subsequently used for work of a very different character. The fisheries room will contain tables for eight workers and will be equipped with five experimental aquaria, and with hatching jars, museum cases, and net lockers. In connection with the great public aquarium soon to be opened, it will afford excellent facilities for the study of fishes and marine invertebrates, in which the waters of the Philippines abound to an extent hardly equaled in any other country.

The necessity for the construction of this wing was foreseen at the time the original building was erected and the plan then adopted contemplated it.

It is greatly to be regretted that the main laboratory building was not constructed out of reinforced concrete as is the new wing. Should it be possible in the not very distant future to construct the remaining wing originally planned for, and provide accommodations in it for the bureau of forestry and the bureau of health, we should then have the bureau of science, the bureau of forestry, and the bureau of health adequately housed on the same piece of ground with the Philippine General Hospital and the College of Medicine and Surgery. The quarters of the Philippine Weather Bureau are now on an adjacent lot, so that this arrangement would bring in close proximity to each other the offices of all the bureaus of the Government performing strictly scientific work, with the exception of the bureau of agriculture. The advantages of such an arrangement are obvious.

ONE NEW BUILDING NEEDED AT ONCE.

There is immediate need of a building to accommodate the machinery for the testing of cement, concrete, road materials, rope, wire, steel, cloth, etc. This machinery is at present crowded into all sorts of out of the way places, some of it being even placed under the eaves of outhouses. It has been impracticable to transfer and get under cover the large testing machine at present located at Bilibid Prison, and the constant sending of employees across the city to use this machine is a nuisance.

THE NEW AQUARIUM.

By executive action of the Governor General ₱40,000 were made available for expenditure by the bureau of science to defray the cost

of constructing an aquarium on the bastion immediately in front of the Real gate in the city wall of old Manila. This aquarium will soon be completed. It is equipped with 26 tanks of ordinary size and with 1 large tank and 3 ponds, the latter to serve for very large fish and water-inhabiting animals. With the inexhaustible riches of the Philippine seas upon which to draw, this aquarium should be second to none in the beauty and variety of marine forms displayed.

Information as to the best means for, and methods of, taking, transferring, and feeding fish must be gained by experience to some considerable extent, although every effort has been made to learn as much as possible in advance from the experience of others. Unfortunately, the water of Manila Bay is not clean enough to be used directly. Clear sea water must therefore be brought from a distance and filtered and aerated as required. A pumping and filtering system adequate for this purpose has been installed.

ILOILO SUGAR LABORATORY.

At the close of the last previous fiscal year this laboratory had done practically no polarization work and its abolition was suggested. I declined to approve this recommendation, and gave instructions that the laboratory should be kept open and that the officer in charge, in the absence of opportunity to do polarization work, should go into the field and devote himself to chemical and other work more likely to be of practical value to the sugar planters of Panay and Negros. The wisdom of this decision was vindicated with unexpected promptness. More than 2,000 polarizations were performed between December 13 and July 31, and a large amount of other work of great practical value to sugar growers was done. Various commercial houses at Iloilo have expressed in writing their satisfaction with the work of this laboratory and their appreciation of the action of the Government in establishing and maintaining it. There seems to be no room for doubt that the work at Iloilo will rapidly increase. As soon as practicable the working force of the laboratory should be correspondingly increased and it should be provided with permanent quarters.

REORGANIZATION OF THE BOTANICAL WORK.

Up to the present time the botanical work of the bureau has been largely confined to the collection, identification, and preservation of plant and tree specimens. It was obviously necessary at the outset to find out what plant life the islands contained. This work has now advanced so far that it is both possible and desirable to leave its prosecution in the hands of Mr. Elmer D. Merrill, who is to-day the greatest living authority on the systematic botany of the Philippines, and to replace two other systematic botanists with a plant pathologist and a plant physiologist, a broad foundation for practical work along these lines having now been laid.

AID FOR WORK ON TROPICAL SUNLIGHT RECEIVED FROM PRIVATE SOURCES.

In view of the claims which have been made relative to the effect of tropical sunlight on the white races and especially on blondes, it

seems desirable, if possible, to replace more or less extravagant theories with scientifically determined facts. The subject of the effect of tropical sunlight on man, animals, and plants is at present attracting a good deal of attention, and is obviously of great importance to a country like the Philippines. Its proper investigation here made necessary the procuring of an expensive spectrograph which had not been contemplated when the appropriations for the bureau were made. Mr. Enrique Zobel, Mr. Antonio Roxas, Mr. Manuel Earnshaw, Dr. Ariston Bautista y Lim, the San Miguel Brewery, and the Germinal Tobacco Factory contributed the necessary funds. The thanks of this department for their public spirited action are due, and are extended, to them. Important and interesting results have already been obtained and others are to be anticipated.

REPUBLISHING OF BUREAU OF SCIENCE PUBLICATIONS.

There is a continued demand for some of the publications of the bureau of science which are now out of print, while the available copies of others are nearly exhausted and the call for them seems to increase as the supply diminishes. As these publications are sold at a price sufficient to cover their cost, it would seem that they should be reprinted, and I recommend the establishment of a small reimbursable fund, of say ₱5,000, for this purpose.

PARTICIPATION OF THE DIRECTOR OF THE BIOLOGICAL LABORATORY IN THE INTERNATIONAL PLAGUE CONFERENCE.

Dr. Richard P. Strong, director of the biological laboratory, was upon my recommendation appointed American delegate to the International Plague Conference in China. He was compelled to leave for Manchuria on very short notice, but it proved practicable to equip him with a practically complete laboratory outfit for plague work and with a fairly good working library within two days. He took with him as assistant, Dr. Teague. They were the first men on the ground; were able to secure permission for the performing of autopsies, which in itself was an unprecedented thing, and began laboratory work at once. The pneumonic form of plague, with which they were dealing, may be air borne as the result of the ejection of minute globules of sputum by coughing patients, and is highly contagious. It is difficult to conceive of a less enviable task than the obtaining of material from living and dead victims of this disease, which is invariable fatal, and the performance of laboratory work on this material when obtained. Drs. Strong and Teague were able to contribute a large amount of first-hand information at the conference, and to add very materially to the sum total of human knowledge relative to pneumonic plague, as well as to demonstrate most conclusively the fact that it is possible to avoid contagion by the scrupulous carrying out of the necessary preventive measures, even if brought in very close contact with its victims.

The report of the work of this conference, which will naturally attract the attention of medical men the world over, is to be printed by the bureau of printing at Manila and edited by Dr. Strong.

THE RELATIONSHIP BETWEEN THE BUREAU OF SCIENCE AND THE UNIVERSITY OF THE PHILIPPINES.

Within a comparatively short time there has been established the Kaiser Wilhelm Institute for the prosecution of original scientific research. It was founded by His Imperial Majesty, the German Emperor, who believed that professors and docents in the German universities were having their time so increasingly occupied with the details of instruction, as the result of a constant growth in the number of students, that research work, which has assisted so greatly in the development of the resources of the German Empire, was suffering and was in danger of suffering still more. It was the opinion of His Majesty that this condition could be remedied by the establishment of independent institutions for investigation which should be in close touch with universities and polytechnic schools, and should afford to the members of their faculties opportunity to perform original scientific work. It is interesting to note that one of the existing great institutions for scientific research referred to by persons whose duty it was to make known His Majesty's views on this subject was the Philippine bureau of science. The truth is, however, that we are here now called upon to face the danger of a process the reverse of that which is going on in the German Empire. We have entered actively upon the important work of establishing a university. In selecting members for the scientific faculty of this institution it is quite natural that those in authority should seek to obtain the services of men on the ground who have demonstrated their ability to perform valuable work, have become acclimated, and have gained a familiarity with conditions which greatly increases the value of their services and can be had only as the result of long experience.

The Philippine bureau of science was established and developed in the face of bitter opposition, and had to justify, and indeed sometimes to fight for, its existence. The salaries paid at the outset were in many instances pitifully small. It has been, on the whole, extraordinarily fortunate in the character of its employees, the result of whose scientific investigations are to-day known throughout the civilized world, but the obtaining of such employees at such salaries has involved an amount of personal attention on the part of the secretary of the interior, the director of the bureau of science, and the Chief of the Bureau of Insular Affairs which has not been necessary in connection with the working force of any other bureau of the insular Government. Success has been attained in many instances in spite of, rather than as the result of, the salaries paid. It has to a considerable extent been due to the splendid laboratory facilities and the good library facilities which the Government has been wise enough to provide, and to the almost unexampled opportunity for the investigation of tropical problems afforded by the existence of such facilities in a country like the Philippines. In other words, we have drawn our working force from among men willing and anxious to work for the work's sake. Now, however, we are confronted by a peculiar situation. It has always been comparatively easy and rightfully so, to secure from the legislative body of these islands money for educational purposes, and the salaries paid in the

Philippine university are in a number of instances much higher than those paid in the bureau of science to men of similar experience and attainments.

I do not suggest, nor do I believe, that the salaries paid in the university are excessive, and it is only fair to say that those first paid in the bureau of science have in a number of instances been materially increased; but original scientific investigation is by scientists universally regarded as of more importance than the teaching of beginning students in science, and is elsewhere remunerated accordingly. The Philippines can hardly afford to be an exception to the general rule. It would be unfortunate, to say the least, if any considerable number of the trained scientific investigators employed by the bureau of science were at this time to transfer to the university on account of the opportunity afforded for increased compensation. On the other hand, it can not but be humiliating to an investigator who was well trained when he came here 6, 8, or 10 years ago, and who after all these years has struggled up to a salary of ₱4,500, ₱5,000, or at the most ₱5,500, to see some young man fresh from the United States, with substantially the training which he himself had when he first came to the islands, and without his own individual experience, start in as associate professor in the university at a salary of ₱6,000. In my opinion, the rather limited number of cases of obvious injustice of this sort should be remedied by the equalization of salaries at the coming session of the Philippine Legislature. If this is not done the bureau will inevitably lose some of its most valuable employees, and others who remain with it will be made discontented.

THE BIOLOGICAL LABORATORY.

The most noteworthy work done in the biological laboratory has been the discovery by its director that Ehrlich's dioxy-diamido-arsenobenzol, commonly known as "606," was an absolute specific for yaws, a disgusting, disfiguring disease which is quite prevalent in some parts of the Philippines. Three or four days after an injection of this drug the lesions begin to improve and in 10 to 20 days nearly or quite disappear, leaving the skin perfectly smooth. The absorption of tumor masses measuring several centimeters in diameter and as much as a centimeter in thickness in so short a time seems almost miraculous. The drug has been used with especially gratifying results among the people of the hill tribes, whose delight at the extraordinary cures which it produces has been boundless. There have been no relapses, and "606" seems to be as effective a specific for yaws as is quinine for malaria.

THE NECESSITY OF FUNDS FOR THE STUDY OF ANIMAL DISEASES.

I have heretofore called attention to what is, in my opinion, the great unwisdom of failing to provide funds for the study of animal diseases, especially rinderpest, which is causing such dreadful havoc in these islands. Funds were made available for the erection on the laboratory grounds of a stable for cattle to be used in such studies, but the studies have not been inaugurated on account of the lack of the necessary funds with which to prosecute them. They will neces-

sarily be somewhat expensive because cattle must be used for experimental purposes, and a considerable number of the animals experimented upon will die, but the extent to which such expense may reasonably be expected to be offset by actual saving can perhaps be best emphasized by one simple illustration. The insular government has been going to very great expense in establishing and maintaining quarantine over animals infected with rinderpest, and in providing for proper disposal of the remains of animals dying of it so as to prevent the spread of infection. It is now claimed by a very competent investigator that animals in which this disease has advanced sufficiently so that it can be recognized with certainty are absolutely incapable of communicating it, and that it can be communicated only during its very early developmental stages. Obviously, if this be true, money spent in quarantining animals in which the disease is well advanced and in destroying the remains of animals that have died of it is money thrown away; but obviously, also, the nature of this supposed discovery is so surprising, and the consequences of assuming these statements to be true would, if they were not true, be so serious that they should immediately be accurately and repeatedly verified so as to avoid all possibility of mistake. A comparatively small sum would, if properly expended, settle this question beyond the peradventure of a doubt. The mere fact that doubt exists as the period within which animals sick with rinderpest can communicate it shows the imperative necessity of careful study.

Rather startling claims have been made as to the uselessness of attempting to combat rinderpest in the field with the antirinderpest serum extracted by the bureau of science from the blood of animals immunized at the Alabang serum stable of the bureau of agriculture. Any unsatisfactory results in connection with a product which has been so successfully used, as was this serum when employed for simultaneous inoculations by the bureau of science, should be made the subject of careful scientific investigation to determine their cause.

The results already obtained in the matter of finding a remedy for surra are so encouraging as to render it highly desirable that investigation of this disease, so destructive to equine animals, should continue.

RABIES.

Forty-eight patients bitten by supposedly rabid dogs have been given the Pasteur treatment, and thus far all have remained well. Glycerinated cord was sent out for six patients, the treatment being given by local physicians. One of these, said to have received the complete treatment prior to January 26, 1911, is reported to have died on February 7 of rabies. By laboratory experiments it has been determined that glycerinated-fixed rabies virus remains virulent for 42 days in the climate of Manila.

A NEW PLANT DISEASE.

There has been an outbreak of a serious disease attacking Indian corn which appeared in the Subprovince of Bontoc. It proves to be caused by a fungus which has apparently been recently introduced. The disease first appeared in Mexican June corn which had been brought in by the bureau of agriculture.

LEGISLATION NEEDED TO PREVENT INTRODUCTION OF PLANT DISEASE.

The above fact leads me again to emphasize the necessity of legislation providing for the inspection, quarantining, and disinfection of imported plants, bulbs, cuttings, and possibly seeds. Practically every civilized country in the world now has such a law. Our staple crops, with the exception of coffee, are at present remarkably free from serious fungus diseases. The fate of the coffee industry in these islands following close upon the heels of the introduction here of the coffee blight, which originated in Ceylon and spread over the entire Eastern Hemisphere, should serve still further to emphasize the necessity of locking the stable door before the horse is stolen. The introduction of insect pests, such as the leaf hopper which attacks sugar cane, should also be carefully guarded against.

MOSQUITO EXTERMINATION AT MANILA.

By cooperation between the bureau of science and the director of health, an antimosquito brigade was organized with a view to an attack upon the brown mosquito and upon the day mosquito in Manila. This work was permanently organized in February, 1911, and has been aided by the municipal board. The brown mosquito, which was the most annoying of the local species, has been almost exterminated. The possibility that other mosquitoes may become a serious nuisance has been demonstrated by the breeding of millions of small-banded mosquitoes in artificial pits and pools created in connection with construction work on the Luneta fill. This mosquito, like its brown relative, has distinct and peculiar habits, and with proper cooperation between the several Government entities concerned can be successfully combated.

INCREASE OF ROUTINE LABORATORY WORK.

There has been a steady increase in the routine laboratory work performed for other bureaus of the Government and for the public. Chemical analyses, tests, and determinations have numbered 9,301, as compared with 5,168 in 1910. It is obvious that the steady growth of this work can not continue without a corresponding increase in the working force which performs it, and it will be necessary to ask the Legislature at its coming session to authorize such increase.

EQUIPMENT FOR TESTING ROAD MATERIALS.

During the year there has been received and installed equipment for testing road materials similar to that used by the Division of Roads in Washington. It is now possible to test the abrasion, cementing value, and resistance to fracture of road materials of all kinds. The importance of this work in connection with the good-roads campaign in the Philippines is obvious.

CEMENT-TESTING LABORATORY.

My previous recommendations relative to the combining of the cement-testing laboratories of the Government have been favorably

acted upon during the year. All of this work is now performed by the bureau of science with economy in cost and uniformity in results.

REMISSION OF EXPORT DUTIES ON MANGANESE AND IRON ORES RECOMMENDED.

The director of the bureau of science calls attention to the fact that manganese ore has been discovered in considerable quantities in Pangasinan and in Masbate. It at first seemed that this ore might profitably be shipped, but on further investigation it was discovered that all ores are subject to an export wharfage charge of ₱2 per ton. Estimating the value of the ore at approximately ₱13 per ton and the shipping cost to the west coast of the United States at ₱10 per ton, there would remain only ₱1 per ton for the work of mining and profits.

Iron ore occurs in considerable quantity on the small islands in Mambulao Bay. It might bring ₱4.50 in Japan. A royalty of ₱0.50 would have to be paid to the owners of the land, and deducting ₱2 for export duty there would remain only ₱2 per ton for the expense of mining and profits.

In view of the manifest importance to this country of building up the mining industry, I believe it advisable to secure legislation remitting the export duty on ores of comparatively low value.

ENGINEERING DIVISION.

Many changes have been necessary in the work of this division owing to the completion of the buildings of the Philippine General Hospital and the College of Medicine and Surgery, all of which are supplied with light, power, steam, hot water, etc., from the engine-room of the bureau of science. Connections with the general hospital buildings are maintained through a tunnel, which has proved very unsatisfactory, owing to the constant and rapid leakage of surface water into it. During the series of typhoons which occurred in July, 1911, the centrifugal pump ordinarily employed to keep this tunnel dry was supplemented by connecting up two other pumps in the engine-room, and even then it was necessary on several occasions to call on the fire department of Manila for an engine to aid in pumping out the water which was steadily gaining and threatened to flood the tunnel and put out the lights in the general hospital. The cost of keeping this leaky tunnel dry forms a considerable fixed charge, and it is obvious that during the coming dry season due regard for economy demands that the leakage should be stopped.

The power plant has been in operation continuously since September, 1910. The walls of the boiler furnaces are burning out, yet the boilers can not be allowed to cool. An order for an additional boiler was placed by the bureau of public works in July, 1911, and it is hoped that it will arrive and can be installed before a breakdown in the present plant occurs.

Arrangements have at least been completed for supplementing the power plant by a 67-horsepower Otto producer-gas plant, the engine to be direct coupled to an electric generator, which will alternate with the present generator. This unit should be installed in a few months,

and very important experiments for determining the utility of local coal in making producer gas will then be inaugurated.

Attention is invited to the fact that the power plant of the bureau of science is operated entirely by Filipinos. I venture to express the opinion that no such plant in Manila is maintained in a higher state of efficiency or operated more economically. Special attention is given to the economizing of fuel, and the cost of producing electrical current steadily decreases, as is shown by the following table for the period since the plant has been in continuous operation:

	Cost per kilowatt hour.
September.....	P0.17670
October.....	.15270
November.....	.15135
December.....	.14689
January to June, inclusive.....	.13103

THE WEATHER BUREAU.

The work of the Philippine Weather Bureau has been maintained in its usual high state of efficiency throughout the year. It is largely routine work of the greatest importance to commerce, but little can be said concerning it this year which has not already been said in previous reports.

TYPHOONS.

I am glad to be able to state that the year ended June 30, 1911, was singularly free from destructive storms, the number of typhoon warnings sent out being but 94 for the entire year.

WORK FOR IRRIGATION DIVISION.

Since October, 1910, the rainfall observations of all stations have been furnished to the irrigation division of the bureau of public works within 30 days after the close of each month.

SEISMIC DISTURBANCES.

Earthquakes have been unusually frequent and more than ordinarily severe throughout the year, those which were strong enough to be felt numbering 188, an increase of 55.4 per cent over the usual annual average. Fortunately none of them were of sufficient violence to cause serious destruction. The above figures are exclusive of the extraordinary series of earthquakes having their center in Taal Volcano, which occurred between January 27 and February 25 during the destructive eruption, when no less than 1,005 distinct tremors were registered. Three or four of these were perceptible up to a distance of 300 kilometers from the epicenter, 62 up to 200 kilometers, 71 up to 100 kilometers, 151 up to 50 kilometers, and the remainder only in the immediate vicinity of the volcano, this being the first instance in which modern seismographs have chanced to be installed sufficiently near a volcano to record all the seismic disturbances during an eruption.

IMPROVEMENTS.

Valuable improvements costing P2,544.07 have been made at the Manila Observatory and paid for from private funds of that insti-

tution, the purchase and installation of a Wiechert seismograph being the most important item. The observatory was previously equipped with a Vicentini universal microseismograph and with an Omori horizontal pendulum seismograph; but as seven observatories in the Far East and Australia are, or are being, equipped with the Wiechert instrument, it was deemed desirable to install one in Manila. The observatory is now certainly well equipped for seismological investigations.

A strong material house has been constructed in connection with the Antipolo magnetic observatory at a cost of ₱6,250.

BUREAU OF LANDS.

FRIAR LANDS.

Of the 23 friar estates purchased by the Government 5 were offered for sale during the fiscal year 1908, 7 during the fiscal year 1909, 4 during the fiscal year 1910, and the remaining 7 during the fiscal year 1911. A full statement of work accomplished during the latter year will be found in the report of the director of lands. I shall here attempt only briefly to summarize it.

There has been a decrease of 25,683 hectares in the total land occupied, or 15.7 per cent of the total area. The remaining 5.76 per cent of plans and descriptions have been completed. The number of lots sold in excess of the previous year is 20,532. The number of lots sold to the end of the year is 35,522. The number of lots leased is less than during the previous year by 20,052. The total number of lots disposed of by lease or sale is 480 greater than during the previous year. The annual contracted rentals have decreased by ₱241,064.15. The annual contracted installments have increased by ₱359,673.98. The total contracted income has increased by ₱118,609.83. The annual contracted receipts from sales have increased by ₱244,474.60. Administration expenses have increased ₱2,357.34. There has been a total increase in current expenses of ₱23,916.68. On 16 estates the collections exceeded the current expenses. This held for only 12 estates during the previous fiscal year. The surplus for the year was ₱141,898.10, as against ₱61,235.30 for the previous year. The following table shows the progress of each estate to the end of the year, the current and noncurrent expenses, receipts and interest charges, and the surplus and deficit, together with a comparison of totals with those for the previous fiscal year:

Statement showing progress of friar lands estates during fiscal year ending June 30, 1911.

Estate.	Areas.	Esti- mated occupied.	Percentage of total area, number of lots and area disposed of, and method.			Total disposed of.		
			By sale.		By lease.	Number of lots.	Per cent of area.	Area.
			Number of lots.	Per cent of estate.				
	Hectares.	Per cent.						Hectares.
Banilad.	1,872	80.0	757	27.4	351	1,108	71.3	1,335
Binagbag.	282	83.0	49	3.9	396	822	82.6	1,233
Bifan.	3,556	94.0	2,915	94.0	11	2,445	94.0	3,342
Calamba.	13,016	50.0	1,846	45.7	9	2,915	45.8	5,967
Dampol.	926	100.0	347	79.0	732	1,555	79.0	732
Guiguinto.	931	100.0	681	99.5	926	681	99.5	926
Imus.	17,164	55.0	5,598	45.3	7,783	5,638	46.1	7,916
Isabela.	19,510	3	93	3	59	93	3	59
Lolombo.	5,020	96.0	4,016	72.0	3,614	4,089	73.4	3,683
Malinta.	3,514	98.0	1,341	89.8	3,156	1,449	97.6	3,431
Matamo.	12	100.0	1	100.0	12	1	100.0	12
Muntinlupa.	2,800	67.0	1,310	66.5	1,863	1,310	66.5	1,863
Nalc.	7,271	65.0	1,926	50.6	3,661	1,936	60.7	3,683
Orian.	954	94.0	639	94.0	897	639	94.0	897
Piedad.	3,813	95.0	597	55.1	2,101	623	70.5	2,668
San Francisco de Malabon.	11,128	60.0	2,857	49.4	5,498	2,857	49.4	5,498
San Jose.	22,465	100.0	2	100.0	22,465	2	100.0	22,465
San Marcos.	87	100.0	1	100.0	87	1	100.0	87
Santa Cruz de Malabon.	9,549	40.0	1,732	30.8	2,940	1,732	30.8	2,940
Santa Maria de Pandi.	10,156	85.0	1,904	39.2	3,965	1,911	39.4	3,967
Santa Rosa.	5,251	82.0	2,041	86.8	4,557	2,051	91.5	4,804
Tala.	6,962	100.0	874	73.7	5,150	1,042	97.3	6,806
Talisy-Ming.	8,159	60.0	4,015	18.7	1,525	1,655	19.2	1,568
Total.	115,445	83.0	35,522	52.4	80,867	36,741	55.0	84,941
Total previous year.	186,506	76.2	14,960	32.0	21,271	36,261	70.7	110,625

1 Changes in areas due to final survey, deducting areas occupied by roads, plazas, streams, etc., when actual area available is computed.

* The term "Estimated occupied" includes all land however occupied, either by persons, roads, streams, irrigation canals, buildings, etc.

Estate.	Annual contracted receipts, excluding interest on deferred payments.			Receipts for fiscal year.					
	From rents.	From sales.	Total.	Rents.	Miscellaneous: Grazing, timber, and stone permits, sale of old timber.	Sales.	Interest on deferred payments.	Recovery of costs in court cases.	Total receipts.
Banilad.....	P 1,641.00	P 12,356.00	P 13,997.00	P 1,227.08	P 42.00	P 20,482.00	P 6,740.88	P 2.00	P 28,493.96
Bingbag.....	2,099.00	165.27	2,264.27	467.90	.....	2,498.00	1.74	.....	2,936.74
Bitan.....	.....	38,390.06	38,390.06	809.00	.....	38,943.87	15,283.29	8.00	55,034.16
Calamba.....	125.00	52,014.00	52,139.06	7,589.59	849.73	58,494.00	.....	.....	66,933.32
Dampol.....	.....	7,247.73	7,247.73	7,892.00	.....	7,392.33	5,090.15	.....	13,374.48
Gulguirio.....	.....	9,197.51	9,197.51	4.00	.....	9,033.85	6,277.67	.....	15,315.52
Imus.....	1,064.00	102,322.00	103,386.00	12,300.84	394.40	108,017.00	.....	377.80	121,090.04
Isabela.....	.....	247.00	247.00	.....	.....	.....	.....	.....	.....
Lolombay.....	860.00	60,704.00	61,564.00	2,448.41	138.50	57,751.00	910.00	182.00	61,429.91
Malinta.....	2,118.00	26,444.00	28,562.00	1,563.00	.....	25,705.12	16,478.78	.....	43,744.90
Matano.....	.....	122.00	122.00	.....	.....	123.00	97.64	.....	220.64
Muntinlupa.....	.....	9,068.32	9,068.32	.....	.....	6,899.81	3,263.48	.....	10,163.29
Nasac.....	36.00	38,856.00	38,892.00	457.50	311.00	49,142.54	31,071.73	53.82	81,036.59
Piedad.....	.....	10,552.87	10,552.87	102.00	.....	9,224.08	2,625.92	.....	11,932.00
San Francisco de Malabon.....	226.00	13,427.50	13,653.50	1,955.50	.....	12,390.50	2,625.92	2.50	14,345.50
San Jose.....	.....	49,847.00	49,847.00	2,232.33	244.00	27,876.00	8,421.70	.....	36,764.03
San Marcos.....	.....	29,846.00	29,846.00	.....	.....	29,846.00	22,682.96	.....	52,528.96
San Jose.....	.....	565.60	565.60	.....	.....	565.60	497.73	.....	1,063.33
Santa Cruz de Malabon.....	.....	36,000.00	36,000.00	2,012.88	136.00	47,476.00	.....	.....	49,624.88
Santa Maria de Pandi.....	79.00	33,026.00	33,105.00	18,566.50	6.00	34,774.00	.....	21.00	53,367.50
Santa Rosa.....	2,253.00	53,149.00	55,399.00	4,974.00	455.87	29,552.77	18,441.37	.....	53,424.01
Tala.....	585.60	12,544.00	13,129.60	4,299.10	.....	17,031.80	5,845.92	.....	23,166.82
Talisay-Ming.....	1,262.00	41,617.00	42,879.00	4,330.62	300.00	39,565.97	.....	2.00	44,198.59
Total.....	12,348.40	637,065.86	650,044.46	60,191.35	2,877.50	632,775.24	143,738.96	649.12	840,232.17
Total previous year.....	253,412.75	278,021.83	531,434.63	296,427.29	3,021.92	388,300.64	45,871.84	2,031.00	735,652.69

Statement showing progress of friar lands estates during fiscal year ending June 30, 1911—Continued.

Estate.	Current expenses.			Deficit, fiscal year 1911, each estate.	Surplus, fiscal year 1911, each estate.	Extraordinary noncurrent expenses, surveys, plans and descriptions.
	Annual interest on purchase price at 4 per cent.	Administration.	Irrigation, maintenance, and repairs.			
Banilad.....	₱ 8,749.96	₱ 1,918.31	.....	.....	₱ 17,835.67	₱ 76.96
Binalag.....	1,434.91	5,014.03	.....	.....	1,840.16	2.43
Bifan.....	24,063.33	12,457.01	₱ 646.67	.....	26,330.13	164.25
Calamba.....	55,417.73	1,268.44	1,137.40	.....	2,566.90	2,566.90
Dampol.....	6,025.90	1,367.94	.....	.....	6,080.14	47.09
Guilinto.....	6,222.72	2,032.77	2,567.23	.....	7,724.86	89.18
Inus.....	82,880.97	2,909.98	.....	.....	15,409.07	8,823.36
Isabela.....	12,788.64	9,393.25	1,492.77	.....	11,614.24	1,363.90
Lolombay.....	38,929.55	4,080.34	.....	.....	22,047.71	1,534.44
Malinta.....	17,616.85	12.44	.....	.....	140.91	2.82
Matano.....	67.29	870.51	.....	.....	5,785.70	12.00
Muntinlupa.....	3,507.08	7,843.41	1,742.42	.....	32,142.30	1,261.51
Nalc.....	39,208.46	3,833.20	27.36	.....	7,169.43	43.58
Orion.....	3,922.01	3,158.69	.....	.....	.....	536.20
Piedad.....	13,213.74	10,193.19	3,216.61	.....	19,440.76	158.96
San Francisco de Malabon.....	42,794.99	5,036.50	.....	.....	.....	1.59
San Jose.....	23,902.57	99.49	.....	.....	23,589.89	28
San Marcos.....	492.99	9,080.04	1,942.05	.....	470.85	4,843.18
Santa Cruz de Malabon.....	41,484.50	11,452.40	1,432.77	.....	.....	3,562.27
Santa Maria de Pandi.....	42,135.49	7,614.21	781.47	.....	8,678.94	3,146.37
Santa Rosa.....	36,409.39	2,177.90	.....	.....	12,294.57	338.15
Tala.....	8,694.35	13,164.58	.....	.....	.....	7,393.86
Talisay-Ming.....	44,311.45	.....	.....	.....	.....	.....
Total.....	554,437.02	129,970.30	13,926.75	155,746.47	197,644.57	31,530.89
Total previous year.....	554,437.02	103,696.28	16,284.09	1,198,266.32	141,898.10	80,900.85
					269,491.62	
					61,235.30	

1 Net Surplus.

The reduction of 13.2 per cent in the total area occupied is due to the fact that the lessee of 19,448 hectares of the Isabela estate whose lease expired declined to purchase, and to the further fact that a number of other lessees of estates placed on sale have surrendered their leases without purchasing as yet. Most of them will doubtless purchase or take out new temporary leases in the end.

PROBABLE DECREASE IN COST OF ADMINISTRATION.

As the surveys, subdivision of parcels, and computations on all estates have now been completed, and as all estates are now on sale, there should be practically no surveying charges hereafter, and the administrative expenses should steadily and quite rapidly decrease. The acting director of lands is of the opinion that a third of 1 per cent of the value of the property should be sufficient to meet the cost of administration after a few years.

SALE OF ESTATES DURING THE FISCAL YEAR 1912.

Seven estates remained unsold at the close of the fiscal year 1910—Piedad, Calamba, Santa Cruz de Malabon, Lolombo, Santa María de Pandi, Imus, and Talisay-Minglanilla, containing an aggregate area of 66,875 hectares. Of this area there have now been sold 27,898 hectares, and leased for periods of three years 851 hectares, leaving available for sale or lease 38,126 hectares, a considerable portion of which can neither be sold or leased except in tracts of considerable size.

The 23 friar estates purchased had an aggregate area of 154,448 hectares. There are now sold 80,867 hectares, and leased for periods of three years 4,073 hectares, the total value of the land sold and leased being ₱11,440,796.90. The contracted income from sales and leases aggregates ₱1,107,044.46, of which ₱650,044.46 is made up of installments of purchase price and of rentals, and ₱457,000 is interest on deferred payments for the first year. Interest on the land sold to date will be reduced approximately ₱26,000 annually during the balance of the 20-year period.

There remain unsold, unleased, and unoccupied 69,509 hectares with a value of ₱6,451,227.42. No income is derived from this land at present, nor will there be any until the land is sold or leased.

DELINQUENT PAYMENTS.

Collections of rentals due under leases, and of installments of purchase price due on sales, have been fairly good throughout the year, and it is believed that most of the balances due and unpaid are collectible.

The friar lands records of the bureau of lands were sent to Washington on November 7, 1910, and were not again received in Manila until June, 1911. As a result, the work of the bureau of lands, and especially that of the friar lands division, was of necessity very seriously hampered. For instance, suits for the recovery of delinquent installments on account of sales could not be instituted without certified true copies of contracts, which were, of course, not available during the period above mentioned. The following statement shows the number of suits instituted against lessees and their results:

Suits pending July 1, 1910.....	289
Filed during the fiscal year 1911.....	48
Compromised during the fiscal year 1911.....	65
Executions, fiscal year 1911.....	24
Pending June 30, 1911.....	248

In view of the very large number of occupants of friar lands, a total of 48 suits brought during the fiscal year is exceedingly small, and on the whole it can be said that purchasers and tenants have shown commendable willingness and gratifying ability to meet their obligations.

FRIAR LANDS LOANS.

At the close of the year there were outstanding 36 friar lands loans, aggregating ₱53,400. The outstanding loans were all made to persons wishing to cultivate sugar or to purchase and install sugar-milling machinery.

FRIAR LANDS IRRIGATION SYSTEM.

The bureau of public works controls the expenditure of funds allotted for the construction of friar lands irrigation systems. It is understood to have expended approximately ₱50,000 during the year, but has made no report to the bureau of lands of the amount or nature of these expenditures. Such report has been requested, and as the bureau of lands is called upon to administer these irrigation systems, collect water rents, and to provide for the redemption of the bonds representing the value of the systems, it would seem that it should be promptly forthcoming. Indeed, I am strongly of the opinion that the expenditure of these funds should be subject to the direct control of the bureau.

WATER RENTS.

It has not been found practicable to begin the collection of water rents during the year. It is now hoped to begin such collections on January 1, 1912. The present irrigation force of the bureau must then be increased in order satisfactorily to perform the increased work.

PURCHASES OF FRIAR LANDS BY RAILROADS.

The only friar lands ever purchased by railroads have been for rights of way, station yards, and gravel pits. The following table shows the facts:

Estate.	Length of right of way.	Area purchased.	Purchase price.	Name of company.
	<i>Kms.</i>	<i>H. a. c.</i>		
Muntinlupa.....	6.4	20 12 10	₱1,944	Manila Ry. Co.
Bifan.....	4.1	13 27 35	3,271	Do.
Santa Rosa.....	5.3	17 31 43	4,421	Do.
Calamba.....	35.1	54 12 2	13,783	Do.
Nalc.....	4.0	15 94 16	4,861	Do.
San Francisco de Malabon.....	4.6	13 97 36	2,269	Do.
Santa Cruz de Malabon.....	10.0	32 80 2	8,987	Do.
Imus.....	.5	1 69 14	8,750	Do.
Benild.....	2.3	10 63 31	8,709	Philippines Ry. Co.
Talisay—Minglanilla.....	9.3	27 45	24,214	Do.
Total.....	81.6	207 31 89	64,530	

FRIAR LANDS INVESTIGATION.

On June 25, 1910, the House of Representatives of the United States Congress passed the following resolution:

Whereas it has been publicly charged that sales and leases of public lands have been made in the Philippines in violation of law: Now, therefore, be it

Resolved, That the House Committee on Insular Affairs be, and it is hereby, empowered and directed to make a complete and thorough investigation of the interior department of the Philippine Government touching the administration of Philippine lands and all matters of fact and law pertaining thereto, whether the same are to be had in the United States, the Philippine Islands, or elsewhere, and to report to the House during this Congress all the evidence taken and their findings and recommendations thereon; that in conducting said inquiry said committee shall have power to subpoena and require the attendance of witnesses, to administer oaths, to require the production of books, papers, and documents, whether of a public or private character, and to employ necessary assistance, legal or otherwise, and make necessary expenditures, the cost of said investigation to be paid out of the contingent fund of the House. The powers hereby conferred may be exercised while the House is in session or during the recess of Congress by the committee or any duly appointed subcommittee thereof.

On November 7, 1910, the executive secretary, the director of lands, the attorney general, Hon. Rafael del Pan, who served the insular Government as an attorney in connection with the friar lands purchase, and the secretary of the interior sailed for the United States to act as witnesses in this investigation, reporting in Washington on December 9. In the hope of anticipating the wishes of the Committee on Insular Affairs there were also taken the complete records of the friar lands division and all public land records which it was deemed likely that the committee might desire to see. The very few additional records subsequently requested, which through oversight or lack of foresight were not forwarded at the outset, were cabled for and promptly obtained. Every question asked Government witnesses or other witnesses during the investigation was answered, the attorneys of Messrs. Havermeyer, Welch, and Senff waiving all questions of privilege, with the consent of their clients granted in advance. Every document requested was produced. Representative John A. Martin, of Colorado, who made upon the floor of the House the original charges, became suddenly conservative when called before the committee and requested to state specifically charges which should form the basis for an investigation. He signally failed to repeat the most detailed and most serious of the charges which he originally preferred; a fact which I very greatly regretted. A comparative study of his original charges made on the floor of the House and of his charges made before the Committee on Insular Affairs is highly instructive and I commend it to all persons especially interested in this matter. The outcome of this investigation was most satisfactory to the Philippine officials concerned.

The minority report signed by five of the Democratic members, namely, Messrs. W. A. Jones, Robert N. Page, Finis J. Garrett, M. R. Denver, and Harvey Helm, contains an extraordinary misstatement, which was perhaps nevertheless justified by such evidence as was before the committee, relative to the cause and result of an action for libel brought by me against the editors and owners of a certain Manila newspaper. The statement in question reads as follows:

Among the lessees of public lands are E. L. Worcester, nephew of Secretary of the Interior Dean C. Worcester. For criticizing the granting of this lease

several of the editors and proprietors of a Filipino newspaper, one of whom is a member of the Philippine Assembly, have been sentenced to the penitentiary, and in a civil suit been adjudged to pay to Secretary Worcester heavy damages.

I assume that the gentlemen in question would have been the last to make it had the facts been fully brought out, or had the libelous article itself been placed in evidence.

Pending possible action by Congress imposing limitation as to the area of friar lands which may be sold to an individual, these lands are not being thus sold in tracts exceeding 16 hectares in extent, except pursuant to contracts entered into prior to the time when this subject was first agitated.

It is very important that Congress should declare its approval of the policy, relative to the sale of vacant friar lands, which had been pursued prior to that date, or should provide by legislative enactment for such change in that policy as it may deem to be in the public interest.

As previously stated, 69,509 hectares of unoccupied friar lands, valued at ₱6,451,227.42, remain unsold, unleased, and unoccupied. There are no would-be small tenants or purchasers to whom any considerable portion of this land can be leased or sold. As it would have been obviously unjust to add its cost and the interest on its purchase price to the cost of the lands which it was possible to sell, there is no way in which the bonds issued to obtain the funds with which it was purchased can be retired upon maturity except by direct appropriation from the Philippine treasury (which, in my opinion, and in the opinion of eminent Filipinos better able to judge than I myself, would be resented by the Filipino people) or by appropriation by Congress. As the majority report of the Committee on Insular Affairs very clearly sets forth, there exists no legal obstacle to the sale of these lands in large tracts. Such sale of most of the vacant lands would, it is believed, be feasible in the end and would nearly or quite reimburse the insular government for all expenses incurred, but pending further expression of the will of Congress in the premises no sales of tracts exceeding 16 hectares in extent are being made.

These unoccupied friar lands were necessarily acquired in connection with the purchase of the thickly settled lands which it was deemed desirable for the Government to buy in order that the latter might be sold to their occupants and that a serious agrarian question might thus be satisfactorily terminated. If they are to be "held in trust" for people who do not want them, is it not unjust to tax these people in order to pay for them? In other words, if Congress should legislate to the effect that the vacant friar lands might not be sold to individuals in tracts exceeding 16 hectares in extent, thus rendering their sale impossible, should not Congress at the same time appropriate funds to reimburse the Philippine treasury for the cost to it of the lands thus rendered unsalable?

HOMESTEADS.

I am very glad to report that there has been a marked increase during the year in the interest taken by Filipinos in securing homesteads. The number of applications received has been 2,789, and while it is ridiculously small, it is nevertheless the largest number received during any year since the public-land law became effective and is almost double that for the previous fiscal year. The extraor-

dinary apathy displayed by the Filipino people during the period when most heads of families might readily have secured title to 40 acres each under the free-patent chapter of the public-land act without any expense whatever was very keenly regretted by all who had the best interests of the islands at heart. The continued indifference of the people at large toward the opportunity to acquire sufficient land at a nominal price by homesteading it has been a further source of regret. It has been suggested that disinclination to live on the land is one of the reasons why more Filipinos do not file homestead applications. While there was formerly in many, if not most, Provinces reason for such disinclination in the lack of security for life and property which then prevailed, the condition of public order which has been brought about since the American occupation takes away this reason and we must look further for the true explanation.

It is a regrettable fact that many "caciques" have actively interested themselves in preventing would-be homesteaders from acquiring public lands, preferring to have such persons remain without lands of their own, so that they themselves could be more certain of retaining them as laborers at a low wage.

Protests against homestead applications are growing more frequent. An investigation of some 250 contests showed that in 90 per cent of the cases there was no foundation for them.

A number of requests for cancellation of homestead entries have been received which upon investigation were found to be frauds or forgeries, having been made without the knowledge of the true applicants.

Investigation of a majority of homestead entries, the applications for which were filed five or more years ago, shows that about 5 per cent of the applicants have not cultivated any part of the land applied for; that the average area cultivated is 4 hectares; and that at least 50 per cent of the applicants are not complying with the law relative to residence. The value of improvements varies from ₱1 to ₱50, the average cost of the houses erected being estimated at ₱30. A number of final proofs have been received in which the applicant states that he has built a house to the value of ₱1 (\$0.50), and has resided therein for a period of five years.

SALES OF PUBLIC LANDS.

There have been received 91 applications to purchase public lands, an increase of 23 over the previous fiscal year. The total area covered is 3,496 hectares. Thirty-three sales were made during the year. The total amount of cash paid in on account of these sales was ₱13,755.25, and, although this is nearly equal to the amount received from all previous sales since the public-land act went into effect, it is indeed ridiculously small for a country with at least 50,000,000 acres of agricultural public lands on its hands. Five sales were made to corporations and two to unincorporated companies. Competitive bids were received in only four cases, but one parcel of land was sold at the rate of ₱102.50 per hectare, a hitherto unprecedented price. When, as is almost invariably the case, there is no competitive bidding, public land is sold at the minimum lawful price of ₱10 per hectare. The following are the total sale transactions in public lands from July 26, 1904, when the public-land act took effect, to and including June 30, 1911:

There have been 423 applications covering 13,671 hectares. Of these 50, covering 1,791 hectares, have been rejected, canceled, or withdrawn. The number of sales actually accomplished has been 88, and the area covered by such sales is 8,124 hectares. And yet we hear talk of the "exploitation" of Philippine public lands.

RECOMMENDATION THAT EXISTING PROVISIONS OF LAW, RELATIVE TO THE SALE OF PUBLIC LANDS, BE MADE MORE LIBERAL.

I can only reaffirm the statements and recommendations as to the liberalization of existing provisions of law relative to the sale of agricultural and mineral public lands which I have monotonously reiterated annually since the public-land act took effect. The Philippines are an essentially agricultural country. They are almost unprecedently rich in unoccupied, uncultivated, well-watered agricultural public lands. Their people are expending annually millions of pesos for imported rice, when they ought to export it in large quantities. The islands are capable of producing a very considerable proportion of the tropical products imported into the United States. It can be confidently asserted that nowhere in the world are there to be found conditions of soil and climate better suited to the production of coconuts, rubber, gutta-percha, coffee, and cacao, while the islands have a monopoly on the production of abacá, or Manila hemp, but existing agricultural methods are primitive in the extreme. Important mineral deposits are known to exist. There is at present a lamentable lack of capital for the legitimate development of all these enormous natural resources, and there are a large number of unemployed laborers, willing and able to render efficient service if they can obtain a living wage. The daily wage was, prior to American occupation, pitifully small. While it has since materially increased, it is still small. If any proof is needed as to the benefits to wage earners resulting from the introduction of capital it is found in the fact that the daily wage in Mindoro has more than doubled since there began the conversion of the previously uncultivated lands of the San José friar estate into a modern sugar plantation.

The local agriculturist most readily learns the benefits arising from the use of modern machinery and the employment of modern agricultural methods by personal observation of results, and the establishment of a series of good-sized modern plantations in these islands would, in my opinion, be an unmixed blessing to the inhabitants. The existing limitation on the amount of public land which may be sold an individual to 40 acres is simply ridiculous, and, of course, absolutely prevents the acquisition by any individual of land enough to justify him in entering commercially upon such an enterprise as the cultivation of rice, which is the bread of the people, and which it is now necessary to import in large quantities. How long must we continue to send millions of pesos annually to foreign countries for the purchase of this article of fundamental necessity for the reason that the enormous tracts of fertile and unoccupied rice lands now lying idle in these islands can not be purchased by individuals in sufficient amount to justify the use of modern agricultural machinery, or, indeed, to justify entering at all into the rice-growing business?

What man in his senses would seriously contemplate raising rice commercially on a 40-acre tract?

There are in the Philippine Islands to-day, at a conservative estimate, 50,000,000 acres of unoccupied, unclaimed, cultivable public lands. The islands are easily capable of supporting a population of 100,000,000, and now have about 8,000,000 inhabitants. It is certain that their great natural resources should not be thrown open to reckless exploitation, but the facts set forth in this report relative to the total sales and leases of public lands show how absolutely without foundation are the charges that anything of this sort has occurred, or is likely to occur. Is it not just as plainly the duty of the United States to make possible the legitimate development of the agricultural and mineral resources of the Philippines as it is to prevent the reckless or wasteful exploitation of these resources? It is my opinion that it is. I therefore reiterate the recommendations made in my last annual report relative to the amendment of existing laws concerning the sale of agricultural and mineral public lands.

LEASES OF PUBLIC LANDS.

It has been the consistent policy of the department of the interior to lease public lands both to individuals and to corporations in the largest possible amounts up to the lawful maximum (1,024 hectares to a corporation or to an individual) for the maximum period (25 years with the privilege of renewal for a like period), and at the minimum legal rental (₱0.50 per hectare, or 10 cents gold per acre per year). The terms would certainly seem sufficiently advantageous, yet neither during the past year nor during any previous year has there been manifested a desire on the part of any considerable number of persons to take advantage of them. During the year just ended only 44 lease applications were received, or 30 less than during the previous year. These applications covered an area of but 12,400 hectares! Three individuals and one company each applied for the maximum lawful area. All other applications were for lesser tracts. The leases actually issued during the year were 4 in number and covered an area of 2,137 hectares.

During the period from July 26, 1904, to and including June 30, 1911, there have been 229 lease applications covering 61,903 hectares of public lands. Of these 79, covering 20,579 hectares, have been rejected, canceled, or withdrawn.

FREE PATENTS.

The investigations required under the provisions of section 34 of the public-land act have continued during the year. Inspectors have been instructed to give applicants the benefit of every possible doubt, yet fully 25 per cent of the applications thus far investigated have necessarily been rejected for the reason that the land applied for had in reality never been cultivated, or had been abandoned for so long a period of time that the law could not be stretched to cover it. A wide difference has been found as to conditions in different districts. In some the percentage of applicants not entitled to patents runs as high as 80, while in others practically all of the applicants come

within the provisions of section 32 of the public-land act. Two hundred and seventy-nine free patents have been issued during the year. The total number of free-patent applications made before the end of the period during which they could lawfully be filed has been increased by eight, this apparent anomaly being due to the fact that this number of duly drawn applications were found in the possession of a municipal secretary who had never forwarded them, although they had been seasonably filed with him. The total number of free-patent applications filed during the lawful period was 15,885, covering 52,050 hectares of land. Of these 2,477, covering 12,328 hectares of land, have necessarily been rejected or canceled.

COMPULSORY REGISTRATION UNDER THE PROVISIONS OF SECTION 61 OF THE PUBLIC-LAND ACT.

Under the provisions of section 61 of the public-land act actions are brought by the director of lands, after executive approval, to settle boundaries which are vague and undetermined. Pursuant to this authority and to a friendly understanding first had with many of the persons concerned, action was begun by the director of lands in the court of land registration to determine titles to certain lands in the municipality of Asingan, Province of Pangasinan, the total area concerned being 604 hectares, within which there were claimed 906 lots with a total area of 509 hectares, the balance consisting of public land, roads, rivers, and small streams. The petition asked that, after a proper hearing, the court determine all property rights within the area described and order the issuance of title to all persons justly entitled to the same. A proper form was prepared in the office of the director of lands for the use of the several lot owners. An employee of the bureau was appointed notary public for the Province of Pangasinan in order that the necessary affidavits might be sworn to without expense to the claimants. Sixty lots per day were disposed of, the trial of the case lasting about three weeks. This action was really brought in order to assist the landholders to obtain title to their holdings at a minimum expense and to differentiate private lots from public lands in the area in question. At the outset there was a good deal of apathy on the part of landholders, but the people soon began to see the advantages of the opportunity offered them and to understand that it was not the purpose of the Government to deprive them of their holdings, but on the contrary that the Government was aiding them in obtaining titles thereto. The result was all that could have been desired, and numerous inquiries and requests that the same sort of work be undertaken in other districts have been received.

The beneficial results of this procedure are:

1. Greatly reduced cost of survey to property owners.
2. Great reduction in the court costs incident to obtaining title.
3. Sessions of court held in the municipality where lands are situated and consequent avoidance of heavy traveling expenses and cost of maintenance of witnesses in provincial capitals.
4. Greater assurance of accuracy in surveys.
5. The availability of lot plans for the assessment of land taxes.
6. The value of lot plans for irrigation projects whether private or public.

7. The value of the plans for use in the location of geographical features, such as boundaries of barrios, municipalities, and provinces.
8. The fixing of roads, streets, and rights of way.
9. The segregation of the public domain from private holdings.

LEASES OF FORESHORE AND LANDS UNDER WATER.

Only one application to lease foreshore or lands under water under Act No. 1654 has been received during the year. In connection with applications previously received, a survey was made at Mercedes, Ambos Camarines, and two leases were actually executed, one for 99 years covering slightly less than 39 hectares at an annual rental for the first 10 years of ₱300; the other for 40 years, covering an area of 773 square meters, at an annual rental of ₱30.

WORKING FORCE OF THE BUREAU.

There has been an increase of 9 in the total force employed by the bureau during the year. There were an average of 161 men engaged in office work and 101 men in field work, as against 168 and 84, respectively, for the previous fiscal year. The director of lands states that the ability shown by the Filipino junior surveyors trained in the bureau, who are at present working in the field, warrants the statement that a force of 100 such surveyors with 40 American chiefs of party could have done the field work of the bureau during the year at a greatly reduced cost. It is anticipated that 17 additional junior surveyors will be graduated during the year, making 50 available for field work.

The work of the bureau is still handicapped by the constant resignation of its more experienced surveyors, many of whom accept better positions with other bureaus of the Government. A surveyor with three or four years' experience is worth at least ₱3,600 per year, and I concur in the recommendation of the acting director of lands that there be provided an increased number of surveyors' positions at ₱3,600, ₱4,000, and ₱4,500. It will be necessary in the near future to increase the computing and drafting force of the bureau in order to take care of the large number of cadastral surveys soon to be received from field parties, and here again a scale of salaries should be provided which will allow the promotion and permanent retention of the more competent men.

RECOMMENDATIONS.

For convenience of reference, I will here summarize the recommendations made in this report, giving in each case the page or pages on which the recommendation occurs:

1. Page 62: That a specific amount be appropriated by the Philippine Legislature to defray the traveling expenses of impecunious persons brought from the Provinces to the Philippine General Hospital, in order that they may receive medical or surgical treatment.

2. Page 72: That legislation be enacted providing for scholarships at the forest school for one student from each of the following Provinces: Nueva Vizcaya, Agusan, the Mountain Province, and the Moro Province.

3. Page 73: That provision be made in the appropriation bill for the next fiscal year for the employment by the bureau of forestry of competent students in and graduates from the forest school.

4. Pages 78 to 80: That a reasonable fixed percentage of the revenues derived from forest products be set aside for the support of the bureau of forestry.

5. Page 80: That the sum of ₱40,000 be included in the next annual appropriation bill for the construction of a building for the bureau of science, to house the machinery for the testing of cement, concrete, road materials, rope, wire, steel, etc.

6. Page 81: That permanent quarters be provided for the Iloilo sugar laboratory.

7. Page 82: That there be established a reimbursable fund of ₱5,000 for the reissue of bureau of science publications which are sold at their approximate cost, which are or may be out of print, and for which there is a continuing demand.

8. Pages 84 to 85: That there be included in the next appropriation bill an allotment to the bureau of science of ₱21,500 for the study of dangerous communicable animal diseases. The purposes for which this sum is needed will be found set forth in full in the annual report of the director of the bureau of science.

9. Page 86: That legislation be enacted to prevent the introduction into the Philippines of dangerous communicable plant diseases.

10. Page 86: That provision be made at the next session of the Philippine Legislature for an increase in the working force of the division of chemistry of the bureau of science in order that it may be possible for that division to keep pace with the increasing routine work.

11. Page 87: That an effort be made to secure legislation doing away with export duties on manganese and iron ores, to the end that commercial development of Philippine deposits of these ores may be possible.

12. Page 94: That control of the expenditure of funds allotted for the construction and maintenance of friar lands irrigation works be vested in the director of lands, who now administers these irrigation systems and whose duty it will be to collect water rents and to provide for the redemption of the bonds representing the cost of the systems.

13. Pages 98 to 99: That existing legislation relative to the sale of public lands be made more liberal.

14. Page 101: That there be provided, in the bureau of lands, an increased number of surveyors' positions at salaries of ₱3,600, ₱4,000, and ₱4,500, respectively.

Respectfully submitted.

DEAN C. WORCESTER,
Secretary of the Interior.

To the PHILIPPINE COMMISSION,
Manila, P. I.

**REPORT OF THE SECRETARY OF COMMERCE
AND POLICE.**

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REPORT OF THE SECRETARY OF COMMERCE AND POLICE.

DEPARTMENT OF COMMERCE AND POLICE,
Manila, November 15, 1911.

GENTLEMEN: I have the honor to submit the following report of the work of the department of commerce and police for the fiscal year ended June 30, 1911, unless otherwise stated.

The secretary of commerce and police has under his executive control the bureaus of constabulary, public works, navigation, posts, coast and geodetic survey, and labor, the offices of the consulting architect and the supervising railway expert, and the general supervision of all corporations other than building and loan associations, banks, and trust companies.

PHILIPPINE CONSTABULARY.

PERSONNEL.

Only one important change in the officers of the United States Army on detail with the constabulary was made during the fiscal year 1911. Capt. Charles E. Kilbourne, Coast Artillery Corps, detailed as inspector for constabulary, after two years of efficient service in that capacity, was, on April 16, 1911, relieved by order of the Secretary of War, in order to accept an assignment in the United States. Capt. J. W. Craig, Twelfth United States Cavalry, was detailed in his place.

STRENGTH.

The constabulary force has been steadily reduced during the past few years from a total of 7,500 officers and men to a total of 303 officers and 4,167 men on June 30, 1911.

This force is distributed throughout the islands in 119 stations, some of them remote, and is below the minimum which should be maintained. Petitions for additional constabulary from provincial and municipal officials during the year have been numerous, but in all cases have had to be refused because the men were not available.

A reasonable increase in the appropriation for the next fiscal year would enable the bureau to increase its forces to the extent that the most urgent of these calls might be met.

QUARANTINE SERVICE.

The use of such a large proportion of the force for quarantine duty has withdrawn them from the ordinary work of maintaining law and order, and in some localities an increase in petty crime and

misdeemeanors is noticeable. During the year assistance has been rendered the bureau of health in quarantine work in 22 Provinces, and quarantine guards have been maintained to aid the bureau of agriculture in 26 Provinces.

MEDALS FOR VALOR.

Two officers and one noncommissioned officer were awarded medals for valor for conspicuous bravery in action against hostile Moros in February of this year.

JAIL AND ROAD REPORTS.

Efficient work has been done during the fiscal year in the making of reports on provincial and municipal jails and as to the condition of roads in the Provinces.

BARRACKS AND QUARTERS.

Each succeeding year, through the judicious expenditure of appropriations for the construction and maintenance of constabulary buildings, brings a steady improvement in the class of quarters furnished for officers and men. The strong and mixed material buildings which they occupy are kept in a good state of repair, and barracks and quarters of bamboo and other light materials which have had to suffice in some localities for a number of years are as rapidly as funds will permit being replaced with adequate structures of hard wood and concrete. Marked improvement in this line has been made in the Moro and Mountain Provinces during the past year. New buildings have been provided at Dansalan, in the district of Lanao, Moro Province, and at Bontoc, the capital of the Mountain Province.

In the latter place a brick kiln was established a few years ago, and the Igorots trained in this branch of masonry have furnished brick for the construction of some of these buildings.

TRANSPORTATION.

Heretofore provision has been made in the annual appropriation bills for the constabulary for renting two large launches from the bureau of navigation. These have proven inadequate to supply the need for large vessels in the parts of the islands where water transportation is essential, first, because of the size of the vessels obtainable by the funds allowed it is dangerous to send them to the unprotected Pacific coasts during the typhoon season, and the sphere of usefulness of the constabulary is thus restricted; second, the average length of time each of these vessels is laid up for repairs during the year may be placed at 30 days; and as there are no other boats of the same class available for relief duty, this causes inconvenience for at least one-twelfth of the year.

Provision should be made in the next appropriation bill for the employment of one large launch continuously in that part of the islands protected from heavy seas and one coast-guard cutter which may safely under normal conditions be used on the east coasts.

As much of the success of the constabulary is dependent upon its mobility, the number of small motor boats for short quick sea trips has been increased to the extent possible with the funds available. There are now 10 of these boats in service.

The increase in mileage of good roads has also made it possible for officers to cover much territory in a short time on motor cycles, and there were at the end of the fiscal year 11 of these machines in use.

PENSION AND RETIREMENT.

The pension and retirement fund, made up at present from a small monthly contribution by each officer and enlisted man, without aid from the Government, on January 1, 1911, amounted to ₱171,930.21. The annual income thereof is about ₱27,198, and the amount of pensions so far paid is approximately ₱14,433. There are on the pension rolls of the constabulary 62 persons, 32 as the result of deaths or wounds received in action and 30 for disabilities from other causes and illness contracted in line of duty. With the existing source of income and the natural increase in the amount which will become payable, the constabulary in 1921 will be in a position to pay for the retirement of but two officers a year for but 5 years, after which the outlay will exceed the income.

SALARIES AND RANK.

I concur in the recommendation of the director, that no more third lieutenants be appointed; all new officers to be commissioned second lieutenants, serving the first two years at the pay now given third lieutenants, and receiving at the expiration of that time of service the regular pay of a second lieutenant. Such a step will make the service much more attractive to new officers, will provide for a promotion to those officers who apply themselves under local conditions for two years, and do away with the present somewhat unsatisfactory condition under which third lieutenants and second lieutenants receive the same rate of pay.

With the marked improvement in the efficiency of line officers in the constabulary during recent years, there has been no compensating increase in the standard of pay. It is recommended that the pay of captains be advanced from ₱3,400 to ₱3,600 per annum, that of first lieutenants from ₱2,800 to ₱3,000 per annum, and that the pay of second lieutenants be established at ₱2,400 during their first two years, and at the expiration of that time increased to ₱2,800, and that the grade of third lieutenant be abolished.

FIREARMS.

The number of firearms, licenses for the possession or carrying of which have been issued by the director of constabulary under Act No. 1780, decreased but 14 during the year. The number of arms out on June 30, 1910, was 6,869, and on June 30, 1911, 6,855. Comparatively few licenses were revoked during the year, and the number of unlicensed arms taken up in the various Provinces, with the exception of the Mountain Province, was not large. In that Province, however, about 300 firearms, mostly of an obsolete type, were taken

up, largely through the efforts of the lieutenant governor of the Subprovince of Kalinga, who impressed upon his people the advisability of surrendering them to the Government. Most of these arms were obtained in the Subprovince of Kalinga and the eastern part of Bontoc, and all were surrendered peaceably.

LEGISLATION.

The only legislation directly applying to the constabulary during the first session of the second Legislature was Act No. 2060, which provides that in computing compensation for length of service or retirement pay to commissioned officers of the corps who have risen from the ranks, they shall be credited with the time during which they served as enlisted men. This act benefits only such Filipino officers as have risen from the ranks. It was formerly the custom in computing their length of service for the 10 per cent fogey provided by law for each five years not to take into account service rendered as privates and noncommissioned officers. This was manifestly unjust to men who had worked hard to obtain commissions, and was remedied by the above statute.

BUREAU OF PUBLIC WORKS.

PERSONNEL.

Mr. Clarence W. Hubbell was acting director of public works from the beginning of the fiscal year until October 17, 1910, on which date Mr. Warwick Greene, the director, returned from a leave of absence in the United States and resumed his duties.

The engineer corps averaged 110 engineers of all classes, with an average length of service of 2 years and 15 days, and an average annual salary of a little less than ₱4,000.

On June 30, 1911, the total number of employees of the bureau was 1,489, an increase of 27 per cent over the previous year. Of this number 563 were Americans and 925 Filipinos, an increase of 107 American and 211 Filipino employees.

GENERAL.

The large increase in the amount of work handled by the bureau, with the attendant increase in force, has made necessary the organization of a highly-perfected machine, each unit with its work specialized, and the whole working harmoniously with as much speed as is consistent with accuracy and economy. Great progress has been made during the year in developing the bureau into an effective unit for the prompt completion of public works.

Economy has been brought about to a greater degree, I believe, than heretofore, through insistently directing the attention of engineers to engineering cost investigations, and valuation of completed work. Such investigations have been regularly made for the greater part of the organization units, including administration, engineering, and superintendence, and supervision percentages.

The total expenditure supervised by the bureau was ₱9,822,648.56. This includes all general office and maintenance of equipment ex-

penses, the increase in investment of bureau funds, and special insular appropriation in equipment, supplies, and material, the expenses of provincial engineering offices, and the expenditure on the work itself, regardless of whether the funds were insular, provincial, or municipal. Of the total expenditure, ₱3,160,000, or 32 per cent, was paid directly to local labor or to local owners of carts and teams through the usual official means, on pay roll or by voucher, and through contractors.

The construction organization handled 1,871,137 cubic meters of earth, sand, gravel, and stone. It used in the work 59,389.2 lineal meters of piling, 1,555.42 thousand feet board measure of form lumber, 2,543.5 thousand feet board measure of all other timbers and lumber, 1,540,376 kilos of reinforcing steel, 446,188 kilos of structural steel, and 39,551 cubic meters of concrete, involving the consumption of 73,117 barrels of cement.

There has been an increase in the amount of construction and maintenance carried on in every class of work except the construction of bridges and culverts. The expenditure for this class of work decreased 40 per cent below that of the previous year, with a corresponding reduction of about 33½ per cent in the number of lineal meters constructed.

PROVINCIAL DIVISION.

Of the engineering corps of the bureau 53 per cent was allotted to the provincial division during the fiscal year. This division is responsible for all road, bridge, and culvert construction, and maintenance in the 31 Christian Provinces, and for all building and miscellaneous public works in the same territory not handled by special organization.

The former districts supervised by district engineers sometimes comprised as many as three Provinces. Each Province is now a separate district, with the exception of Samar, which has been combined with the Province of Leyte.

It is the uniform policy of the bureau to properly maintain existing roads and structures in good condition before undertaking any new projects, and the Provinces have recognized their liability for the maintenance of completed roads and structures by making it a first charge on their available funds.

There were constructed 357.39 kilometers of first-class road, an increase of 40 per cent over the amount completed during the previous year.

Of the active road projects, the most important are those designed to run north and south from Manila to the extreme ends of the island of Luzon.

But little difficulty has been experienced in recovering the necessary area for right of way, and all surveys of private property abutting upon public roads reserve a width of 15 meters for right-of-way purposes. The amount of first-class roads constructed having a durable and continuous surfacing increased to 1,587.6 kilometers, distributed by Provinces.

The caminero and gang system of maintenance has been continued on all completed roads. The cost of isolated caminero maintenance has been ascertained. All roads and road structures have been regu-

larly inspected by both the force stationed in the Provinces and the division engineer, and an independent check has been maintained on the condition of highways and structures by regular reports from division superintendents of schools and senior inspectors of constabulary.

The following data has been compiled: The cost of engineering and superintendence by Provinces; road structures built; road progress in northern, central, and southern Luzon, eastern and western Visayan Islands, and northern Mindanao; the results of operation of rock crushers, and road-roller statistics.

BUILDING WORK.

Insular building funds become available by special appropriation, by appropriation of the bureau concerned in the work, and by due authorization for expenditure of bureau of public works funds. They are expended under the supervision of the bureau of public works for the construction, alteration, and maintenance of insular buildings in the Christian Provinces and Baguio, except in the case of some barrio schools. The cost of maintenance of insular buildings is always a charge to the bureau concerned. Provincial building funds are obtained by appropriation of provincial boards, and in the Christian Provinces, in all cases where the estimated cost of work exceeds ₱500, are expended under the supervision of the bureau of public works. Municipal building funds, and the supervision of the work carried on therewith, are at the disposition of municipalities.

All classes of building work are carried on by four divisions in the bureau of public works.

(1) The consulting architect, whose entire working force is assigned to him by the director of public works, prepares all plans and estimates for building work, and in special instances supervises the construction of important buildings.

(2) The provincial division, through its district engineers, supervises provincial building construction, alteration, and repair.

(3) The division of building maintenance, alteration, and repair supervises, in Manila only, work of the character indicated by its title, and assumes the responsibility for necessary building custody at the same place. This division also does the cement testing for the bureau.

(4) The Baguio office, in conjunction with the city engineer, Baguio, supervises insular and municipal building work at that place.

Building statistics for the year have been compiled and placed on file.

IRRIGATION DIVISION.

This division has charge of hydrographic and general irrigation investigation, design and construction, and river control projects. The equivalent of 35 engineers handled this work during the year, an increase of about 20 per cent over the allotment of engineering force for the previous year. The amount and distribution of expenditures, and the balance on June 30, 1911, have been ascertained.

Extensive cadastral surveys by the surveyors of the bureau of lands, covering irrigable areas recommended for construction

projects, were financed by the bureau of public works under an arrangement whereby the bureau will be reimbursed for its outlay.

Forty-nine new projects were commenced. Progress was made in the standardization of irrigation design. The largest irrigation project ever attempted in the Philippine Islands is under construction at San Miguel, Tarlac. It is designed to irrigate 4,000 hectares of land, and is about 90 per cent completed. Unfortunately, since the end of the fiscal year it has been seriously injured by one of the worst storms ever known in the country.

In connection with irrigation systems ₱50,000 was expended on friar lands estates, a complete topographical survey was made on one of the Cavite estates, and a second is nearly completed.

At Batangas protecting works for 350 lineal meters of river bank were constructed, to shield the town from damage by the Calumpang River. This was the most important item of river control undertaken during the year, and cost ₱17,101.

A compilation has been made showing graphically the statistics in reference to the operation of rain gauges, river discharge determinations, the cost of irrigation surveys, and the number of hectares surveyed, irrigation progress in northern, central, and southern Luzon and the eastern and western Visayan Islands. No work has been undertaken in Mindanao.

ARTESIAN WELL DIVISION.

This division conducts well-driving operations for the purpose of securing potable water where the present supply is unsatisfactory, and superintends the construction of water systems where the water supply is available by other means. On June 30, 1911, the bureau owned 11 deep-well rigs and 43 jet rigs, an increase of 5 deep well and 20 jet rigs over the number at the beginning of the year. The drilling capacity increased 60 per cent, or from 7,400 meters during the fiscal year 1910 to 11,850 meters during the fiscal year 1911. Provinces owned and operated 12 jet rigs at the end of the year, an increase of 7 rigs, and 1,050 meters of wells, or 140 per cent in capacity. The total amount expended under bureau supervision on artesian well work has been charted.

Plates have been prepared which illustrate, by Provinces, all successful wells drilled to June 30, 1911, artesian wells bored by deep well rigs during the fiscal year, the cost of drilling with deep well rigs, wells drilled by jet rigs during the year, and the cost of drilling with jet rigs.

STATISTICAL DIVISION.

There has been an improvement in the reliability of engineers' preliminary estimates of cost upon which appropriations are based, brought about in part through the careful determination of typical unit costs on actual work. The work of the statistical division of any large organization is necessarily exacting, and under the unusual conditions which American engineers must contend with in the Philippine Islands, compiling reliable bases on which to work out costs in different sections of the archipelago has been found to be slow work.

In addition to the statistical work connected with engineering problems extensive investigations of the condition of machinery as to depreciation, interest on investment, and rental have been commenced. Pending the completion of such investigations an arbitrary percentage is written off for depreciation.

Building work has been reduced to its units and corresponding statistics obtained.

PHYSICAL VALUATION OF COMPLETED ENGINEERING WORK AND OF ENGINEERING EQUIPMENT.

The most severe criterion of the economy of an engineering organization and of the durability of its work is the valuation of construction at stated periods after completion. If this valuation is based upon the known cost to replace a unit such as a cubic meter of concrete, and upon the known number of units placed, and comparison is then made directly with the amount of funds expended to produce the completed work, the data becomes of semipermanent value. In the knowledge that such valuation follows the work, and that it is made by another engineer, the constructing engineer has an additional incentive to produce the best results with the smallest possible expenditure. Such a method of valuation has for the last three years been applied by division engineers to first-class road work and to steel and concrete bridge and culvert work. Some of the results of road and bridge valuation have been compiled and placed on file, as has also the status of machinery valuation.

DIVISION OF ENGINEERING DESIGN.

This division prepares designs for engineering structures other than those of irrigation, hydroelectric and mechanical construction, and building work. It provides the necessary specifications and inspects fabricated steel. The miscellaneous drafting, blue printing, and photographic work of the bureau are centered here. Designs prepared during the year total more than ₱2,500,000 in estimates, and the estimated cost of work for which specifications were drawn and advertisement made was ₱552,000. There were 134,000 kilograms of steel inspected. Over 50,000 square meters of blue-print paper were prepared, most of it for use outside of the Manila office.

ACCOUNTING DIVISION.

Of the funds required for operating the bureau of public works during the year a little more than one-fourth was secured directly from appropriations. The remainder were obtained from payments for services rendered. Of the total funds 8 per cent were expended for the maintenance of buildings, 25 per cent for the purchase and maintenance of equipment, and 67 per cent for administration not charged to projects, and hence not recoverable from appropriations for specific work.

The bureau is in better financial condition than ever before, due principally to quicker realization on bills receivable, and from greater economy of operation. The quick realization on bills receivable has been almost wholly brought about by a radical change in

the method of charging for the general expenses of supervision on projects. It had been the custom to pro rate the actual general expenses of the bureau to bills rendered after such actual expenses had been determined, and after all bills for a given period, the general expenses for which were known, were ready to be rendered. This was exceedingly cumbersome, and in some cases delayed the issuance of bills until months after the work had been performed, on account of poor connections by mail with outlying stations. This method of doing business was abolished and fixed surcharges were established for different classes of work. This not only enables the accounting division of the bureau to render its bills immediately upon the completion of a job, simply adding to the cost thereof the approved surcharge for the class of work performed, but it promotes harmony with the other departments and bureaus of the Government for whom the services are performed, and enables them to estimate with greater accuracy what work will cost them. The bureau balance shows a surplus for operations for the year of ₱134,327.87, and an increase in plant, purchased from bureau funds, of ₱263,200.73. In addition to this there was purchased from special appropriations additional equipment for artesian wells, road construction, and automobile service to the amount of ₱211,708.03, making the total increase in the value of plant and equipment controlled by the bureau of public works ₱474,908.76. As a result of these operations the bureau of public works found that it could safely decrease its percentage charged to the Provinces for the central administrative expense of the bureau from 7 to 6 per cent, provided the Provinces arranged for the direct payment of the men engaged on the projects. A still further reduction is possible provided there is no decrease in the amount of money available for public works.

RECORD DIVISION.

About 60,000 communications were handled in this division during the year, an increase of 11 per cent. There was also an increase in the amount of translating and duplicating work performed.

PROPERTY DIVISION.

Property records have been placed in a condition which permits of uniform accounting under the usual governmental safeguards. Measures are being taken which will make this division an effective unit for quickly supplying equipment and material needed for work from either the bureau of supply or the bureau of public works stock.

CITY OF BAGUIO AND THE BENGUET ROAD.

Despite the enlargement of one of the hotels in Baguio, extensive cottage and business building, a large increase in the number of tents, and an additional dormitory, the number of sojourners during the summer season of 1911 was much in excess of that which could be comfortably housed. The so-called mess, which last year was operated by the bureau, was this year leased to a private party, who bore all expenses, and paid a fair rent for the building and equipment. There was a large increase in the demand for transportation of materials

and supplies. The bureau of public works continued to assume the responsibility for transporting passengers from the lowlands at Camp One to the summer capital. The increased demand on the automobile passenger service was met by the addition of three 14-passenger, 50-horsepower cars, and by pressing miscellaneous equipment into service as trailers or otherwise. An addition to the freight equipment in order to handle this class of business was made of four 2-ton, 40-horsepower trucks. For the safety of passengers a block system was established over the Benguet Road, and vehicles were run on regular schedule with passing points at the gates. A new garage was built near the electric-light plant in Baguio.

The total expenditures for operating the automobile service, including cost of repairs, were ₱120,273.15, and the total receipts were ₱145,509.07, leaving an excess of receipts over expenditures of ₱25,235.92.

Until near the end of the year the Benguet Road was maintained in good condition at a total expense for old and new work of ₱165,128.45, or ₱5,000 a kilometer. During the latter part of July one of the worst typhoons ever experienced in the islands passed over the Mountain Province. The amount of rainfall was unprecedented. The damage to the lower part of the road was very great, but it has been found possible at a very reasonable expense to again open the road for automobile traffic. The new work is not of a permanent character, but will answer until such time as the railroad is completed into Baguio.

The principal buildings constructed include a dormitory, 23 large and 45 two-room cottages, a city hall, and a slaughterhouse. In addition to the buildings, the electric-light plant, extension of water supply, telephone system, and miscellaneous landscape work received attention. All city roads were maintained in good condition. Labor available in Baguio was largely that of prisoners from Bilibid Prison, at a cost of 52 centavos a day.

Some general statistics on labor and animals used for Government work have been compiled.

BUREAU OF NAVIGATION.

The bureau of navigation is divided into five divisions—the division of coast guard and transportation, the marine railway and repair shop, the office of the superintendent of interisland transportation, the division of port works and lighthouse construction, and the division of lighthouse maintenance.

PERSONNEL.

At the close of the fiscal year 1911 there were 2,068 officers, enlisted men, and employees in the bureau, a reduction of 551 under the total number employed last year. Of this number 150 were Americans, 1,793 Filipinos, 117 Chinese, and 8 of other nationalities.

DIVISION OF COAST GUARD AND TRANSPORTATION.

In addition to supervising all Government water transportation in the Philippine Islands, this division maintains a fleet of 44 vessels.

composed of a cable ship, 15 cutters, 6 seagoing launches, and a number of smaller launches, gasoline ketches, sailing sloops, and motor tenders. Of these 44 vessels 2 cutters were loaned to and operated during the year by the Coast and Geodetic Survey, 2 cutters were chartered to and operated by the United States Army, and 1 ketch was out of commission. The cost of operating the remaining vessels of the fleet, including pay and subsistence of personnel, coal, supplies, repairs, pilotage, and incidentals and laundry, was ₱1,158,490.78. The receipts from operation of the fleet amounted to ₱453,067.84, which reduced the net charge against Government funds to ₱705,422.94. The total valuation of the fleet of 41 vessels at the end of the year (not including 2 launches sold and 1 dismantled) was ₱2,214,640.

These vessels are indispensable to the government of a community comprising hundreds of islands, in which all of the principal settlements are on the coasts.

The cable ship *Rizal* was added to the fleet shortly before the beginning of the fiscal year. In her capacity as a cable ship she has maintained the cables in a fair state of repair, and when not required for this service her large bunker capacity has been made use of in carrying coal for the Government. Her upper decks have been so fitted up that she is a comfortable vessel for the use of officials on trips of inspection. She has made two trips to Hongkong for light repairs and general overhauling, as the only dock in the Philippines large enough to accommodate her is the *Dewey* at Olongapo, and the requirements of the Navy have been such that we could not secure its use.

During the first year of operation on a commissioned and enlisted basis there were 80 trials by summary court, 52 of which resulted in the imposition of fines totaling ₱1,360.67, 3 reductions in grade, 2 imprisonments, 5 fines and reduction in grade, 6 fines and imprisonment, 1 dishonorable discharge, 2 imprisonments and dishonorable discharges, and 9 acquittals.

The crew of the cutter *Balabac* mutinied while in Iloilo Harbor in April, 1911, because their captain refused to issue polished rice, the use of which in public institutions was prohibited by Executive Order No. 37, series of 1910, to the crew's mess. Other measures failing to have the desired effect on them, the recalcitrant sailors were taken before the court of first instance and tried, with a result that 18 members of the crew were sentenced to imprisonment and subsequently dishonorably discharged.

With the above exceptions the discipline of the men has been good, and they are beginning to realize that laws and regulations governing them are just and reasonable and will be enforced. The fleet is being brought to a state of efficiency not possible of attainment before the passage of Act No. 1980.

MARINE RAILWAY AND REPAIR SHOP.

In this plant, which is maintained in connection with the division of coast guard and transportation, much new cost-saving machinery was installed during the year. It is now equipped to handle nearly all the work of construction and repair of Government vessels, as well as automobile, road roller, and other similar repair work. Dur-

ing the year the work executed in this division included the construction of steel towers for light stations, manufacture of lighthouse apparatus, casting of propellers, anchors for buoys, etc., construction of launches, motor boats, row and sail boats and ketches, fabrication of buoys, engine and dredge parts, etc. A new 100-ton marine railway, now in course of construction, will be completed in the near future, which will considerably reduce the present congestion on the marine railway used for small vessels.

At the beginning of the fiscal year there was a balance to the credit of the marine railway and repair shop of.....	₱101, 803. 18
Receipts from operations during the year amounted to.....	856, 117. 23
Making a total available for expenditure of.....	957, 920. 41
Of this total there was used in purchasing new equipment and making permanent improvements at the shops.....	₱111, 550. 26
In maintenance.....	53, 654. 12
And in operating the division.....	739, 264. 66
	904, 469. 04
Leaving an unexpended balance on June 30, 1911, of.....	53, 451. 37

INTERISLAND TRANSPORTATION OFFICE.

The office of superintendent of interisland transportation was created by section 3 of Act No. 1310 to exercise direct supervision over steamers operating in the interisland trade under contracts provided for in that act. In addition to the duties imposed on him by Act No. 1310, the superintendent of interisland transportation superintends the operation of bureau of navigation vessels over secondary routes and looks after the earnings of the bureau fleet.

During the year 15 contract routes, on which vessels received subsidies of ₱225,180.06, were operated under this office, and at the end of the year there were 7 secondary routes in operation maintained by the bureau of navigation.

DIVISION OF PORT WORKS AND LIGHTHOUSE CONSTRUCTION.

An appropriation of ₱700,000 was included in Act No. 1988 for the prosecution of the port works' program during the fiscal year 1911. Of this amount ₱75,000 was set aside for expenditure by the bureau of public works in the control of nonnavigable streams and ₱60,000 was set aside for expenditure by the burnt-area committee of the city of Cebu, created by a resolution of the Philippine Commission dated March 21, 1906, the net amount available for port improvements being thereby reduced to ₱565,000.

The new wall construction on the south bank of the Pasig River at Manila was completed on June 15, 1911, at a total cost of ₱143,740.50. This makes available additional berthing space for steamers, and relieves to a small extent the congestion usually found on the north bank of the river. Small repairs to the old walls were also made at various points along the lower river.

Settlements in the bulkhead wall along the waterfront of the new port district and at the ends of the south and west breakwaters adjacent to the harbor entrance necessitated the placing of 5,564.34 metric tons of stone along the bulkhead wall, raising it from 1 to 1.5

meters from Pier 1 south a distance of 1,110 lineal meters; 1,445.61 tons of stone along the toe of the masonry superstructure of the west breakwater; and 289.7 tons on the slopes and 4,133.48 tons on the superstructure of the south breakwater. Progress is now being made in raising the masonry superstructure of the west breakwater to grade by means of concrete blocks molded in place.

Work on the retaining wall for the Cavite Boulevard was not pressed. But 152.4 lineal meters were added, making its total length at the close of the year 1,830 meters, the total cost of which has been ₱327,734.85.

The channel of the Pasig River below the Bridge of Spain was maintained during the year, and in the outer harbor a channel 1,025 meters in length, following the path of the larger vessels from the harbor entrance to Pier 5, where some shoaling had taken place, was dredged to 30 feet below mean low water.

An agreement was signed with the city of Manila whereby the maintenance and improvement of the many esteros in the city was taken over to the exclusive control of the Government of the Philippine Islands, and the work accomplished on these waterways so far exceeded all previous records that the amount of material moved equaled 72 per cent of the total amount moved during all the previous years of American administration. The Binondo Canal has been dredged to a depth of 6 feet at low water through its entire length; 125 lineal meters of the Canal de la Reina have been dredged to the same depth, and at the close of the year work was progressing on the San Miguel Estero.

A self-propelling combination snag boat, hydraulic dredge, and pile driver is being built at the bureau shops under the supervision of the division of port works and the inspector of machinery and was about 90 per cent completed on June 30, 1911. This is designed to keep the Cagayan River, which drains the fertile tobacco lands in the Provinces of northern Luzon and which is constantly shoaling, open for navigation throughout the year. A project which it will undertake as soon as the funds can be provided is the protection of the banks of the river in its lower reaches to prevent a continuing erosion which is destroying much valuable land and in some cases threatening adjacent municipalities.

The dredging of the Iloilo River, commenced in 1909, was completed on December 7, 1910. The lower reach of the river was cleared to a depth of 24 feet below mean low water; a second section, from the Philippine Railway Co.'s terminus to the custom house, to 18 feet; and the upper reach to 15 feet. With the material removed 210,000 square meters of land was reclaimed and an additional 206,000 square meters filled to above high water. Another considerable portion of the material was sold at a low figure to the Province, the municipality, and private parties. Since the completion of this dredging large vessels, which were formerly compelled to lie out in the straits, necessitating lighterage of cargo over a considerable distance, are able to enter the river and load and discharge at the wharf. This results in increased economy to shippers and buyers, one company reporting a saving of ₱1,600 on a single shipment of coal.

Developments during the prosecution of work on the river wall indicated that a saving could be made and as satisfactory results attained by constructing along the river front a reinforced concrete

wharf, supported on concrete pedestals, instead of the solid concrete wall built previously. The plans were accordingly changed. At the close of the year 138.1 lineal meters of wharf had been completed and an additional 127.1 meters partially built, at a cost of ₱501 per meter, as against ₱656 per meter for the heavy wall.

The street system on the reclaimed area at Cebu has been completed and block No. 1, on which a transit cargo shed will ultimately be constructed, was covered with a street surface.

In order to provide satisfactory wharf facilities for the shipment of sugar from a large section of the Province of Oriental Negros a contract was let in January, 1911, for the construction at Bais of a riprap causeway across the strait from that town to the islet of Dacao, a roadway along the north shore of Dacao Islet a distance of 2,500 meters, a causeway across the coral reef with a timber pier extending out to deep water, and a storage shed for the protection of sugar awaiting shipment. At the close of the year fair progress had been made on this contract, although during the sugar-grinding season the work was practically at a standstill on account of lack of laborers.

A reinforced concrete pier was completed at Paracale, in the Province of Ambos Camarines, in October, 1910, at a total cost of ₱30,319.04. This pier is 160 meters long and 3 meters wide, with the exception of the T head, which is 6.4 by 6.3 meters, built of reenforced concrete, with the exception of the wheel guards, which are of ipil, a durable native timber, the floor system being carried upon pillars resting upon and bonded to the coral reef in cavities blasted out for that purpose. Vessels of 12-foot draft can tie up at the end of this pier during low water.

There being but a small sum (₱40,000) available for lighthouse improvements during the year, only one new light station and one new minor light beacon were constructed.

The Lais Ledge Light Station, work on the construction of which was commenced in June, 1908, was completed on March 11, 1911. This building is of reenforced concrete throughout, including the roof, surmounted by a tubular galvanized iron and steel tower 8.2 meters high, resting on the four corners of the dwelling and supporting the light at an elevation of 16.5 meters above mean high water.

A standard 15.2-meter steel tower was completed at Calbayog, Samar, another was erected at Polo Point, and a third at Cagayan, Misamis.

Eight standard 7.5-meter reenforced-concrete beacons or towers for sixth-order port lights and lens lanterns, seven of which were to replace wooden structures, were built, a standard port-lightkeeper's dwelling was completed at Dagupan and four standard sixth-order occulting light stations of reenforced concrete were built.

Preliminary surveys and investigations were made on 15 projects in 8 provinces.

LIGHTHOUSE MAINTENANCE DIVISION.

On June 30, 1911, there were in operation in the Philippine Islands 142 lights, 56 beacons, and 112 buoys; 1 light having been established and 3 discontinued, 1 new buoy placed and 16 discontinued during

the year. For the maintenance of these aids to navigation there were in the service on the above date 177 keepers, 24 apprentices, and 80 boatmen, all Filipinos.

An efficient inspection service has been maintained by the use of two cutters designated "lighthouse tenders."

Many repairs to lighthouse apparatus have been made at the shops of the bureau in Manila, including clockworks, burners, lanterns, changing the chariot wheel rotating apparatus of one light to a mercury-float system, etc.

A successful trial has been made of an automatic acetylene-gas buoy, and it is proposed to replace some of our smaller lights with acetylene-gas beacons.

The requirement that an efficient and up-to-date system of safeguards to navigation must be maintained in the Philippines, where there are hundreds of small islands, has been so well met and the islands are so well charted by the coast and geodetic survey and lighted by the bureau of navigation that marine insurance companies have reduced their premiums on foreign vessels visiting us.

MEDICAL SERVICE.

On May 28, 1910, having been detailed by the War Department on request of the Government of the Philippine Islands, Capt. Philip W. Huntington, Medical Corps, United States Army, was designated medical inspector in the bureau of navigation. In this capacity he has examined candidates for commissions or enlistment, established a small dispensary on Engineer Island for the treating of injuries and illnesses of men in the shops and offices and on vessels in the basin, made regular sanitary inspections of commercial contract steamers and the vessels of the bureau, vaccinated employees, etc.

The first few months having been occupied in the organization of this service, no accurate records of work accomplished are at hand. For the last nine months of the year a partial record follows:

	Number of days lost on account of illness.		
	Officers.	Enlisted men.	Others.
Confined to hospital.....	224	1,279	131
Confined to quarters.....	16	57	.....

In the dispensary there were 1,433 minor operations and dressings and 481 vaccinations.

Twenty officers and 178 enlisted men have been examined physically prior to their entrance into the service. Twenty-five men were rejected for physical defects.

There was one case of cholera in a machinist in the shops. The man recovered. There were no cases of smallpox or varioloid.

A standard pattern ship's medicine chest has been adopted, and one has been issued to each of the cutters in the fleet.

BUREAU OF POSTS.

At the close of the year there were 572 post offices, 209 money-order offices, 414 postal savings bank offices, and 238 telegraph offices administered by the bureau of posts in the Philippine Islands.

PERSONNEL.

No important changes in the administrative personnel of the bureau of posts were made during the fiscal year. On June 30, 1911, the total number of officers and employees of the bureau was 2,185, of which number 74 Americans and 204 Filipinos were in the classified service, and 120 Americans and 1,787 Filipinos were unclassified. The following statement of the number of American and Filipino employees, exclusive of mail carriers and contractors, at the close of the last nine fiscal years, illustrates the steady increase in the relative number of Filipinos employed:

Years ending June 30—	Americans.	Filipinos.	Total.
1903.....	234	138	372
1904.....	197	380	577
1905.....	156	456	612
1906.....	223	780	1,003
1907.....	210	881	1,091
1908.....	237	1,128	1,365
1909.....	201	1,166	1,367
1910.....	191	1,880	1,971
1911.....	194	1,704	1,898

POSTAL DIVISION.

At the beginning of the year there were 556 post offices; 21 new offices have been established and 5 discontinued.

Free delivery letter-carrier service has been established at 181 additional offices, making a total of 296 offices at which this service is now in operation.

In the city of Manila, 26 letter carriers delivered 1,774,153 pieces of mail, an increase of 18 per cent over the previous year, and collected 1,579,611 pieces from street letter boxes, an increase of 9.8 per cent. Postal clerks on railway trains distributed 69,767 packages of letters, 4,354 sacks of papers, handled 54,181 registered packages, 6,156 inner registered sacks, and traveled 173,528.8 kilometers.

New postage stamps, stamped envelopes, books of stamps, postal cards, and special-delivery stamps to the value of ₱2,258,125 were received from the manufacturers.

The mail advertised at Manila during the year amounted to 30,260 pieces, of which 3,389 pieces were subsequently delivered.

At the beginning of the year 72 publications printed in the islands were listed as second-class matter, and 7 newsdealers held permits to mail publications at the second-class rate of postage. Twenty new publications were admitted and 22 publications discontinued, so that at the close of the year there were 70 second-class publications and 7 registered newsdealers. Second-class postage amounting to ₱11,749.70 was collected during the year, an increase of 21.5 per cent over the collections for the previous year.

A summary of the registered mails handled follows:

	Fiscal year—		Increase.
	1910	1911	
Pieces of mail registered at Philippine offices.....	434,989	510,085	<i>Per cent.</i> 17.2
Pieces received from United States.....	48,283	57,729	19.5
Pieces received from foreign countries.....	63,088	64,071	1.5
Pieces sent to United States.....	61,223	66,671	8.8
Pieces sent to foreign countries.....	47,124	49,060	4.1
Pieces sent from one Philippine office to another Philippine office.....	326,642	394,334	20.7
Pieces handled by the Manila post office.....	406,316	577,350	16.3

A material increase in the amount of mail matter handled between the United States and the Philippine Islands is shown in the following table:

	Fiscal year—		Increase.
	1910	1911	
Mails arrived from United States.....	71	74	3
Pouches of letters received from United States.....	831	898	67
Pouches of registers received from United States.....	3,671	4,366	715
Sacks of papers and merchandise received from United States.....	18,530	19,900	1,400
Philippine mails arrived in the United States.....	63	64	1
Pouches of letters sent to United States.....	831	1,014	183
Pouches of registers sent to United States.....	1,688	1,787	99
Sacks of papers and merchandise sent to United States.....	2,406	3,016	610

During the year an agreement was entered into with the postal administration of the colony of Hongkong for the direct exchange of parcels-post packages.

There were 77,872 articles received in the dead-letter office at Manila and disposed of as follows:

Returned to the United States.....	13,078
Returned to foreign countries.....	5,574
Request matter returned to senders in the Philippines.....	4,295
Opened and returned to senders.....	28,129
Containing valuables, returned to senders.....	230
Destroyed.....	26,004
Filed, containing valuables.....	512

MONEY-ORDER DIVISION.

Following is a comparative statement of money-order business for the fiscal years 1910 and 1911:

	Fiscal year—	
	1910	1911
Orders issued.....	151,357	191,614
Amount of orders issued.....	P9,781,670.48	P12,265,166.15
Fees collected.....	P57,837.86	P70,605.42
Orders paid and repaid.....	93,665	124,045
Amount of orders paid.....	P6,801,058.72	P9,067,113.66
Average amount of each order issued.....	P64.62	P64.01
Average amount of each order paid.....	P72.61	P73.01
Deposits of money-order funds received, Manila, from provincial offices.....	P5,913,620.70	P7,496,230.44
Amount of Philippine orders paid in the United States.....	P3,727,026.06	P3,489,917.78
Amount of United States orders paid in the Philippine Islands.....	P367,067.08	P418,135.32

The increase in the number of orders issued is 40,257, or 26.5 per cent, and the increase in the value of money orders issued amounted to ₱2,483,495.67, or 25.3 per cent. The increase in the amount of the fees collected is ₱12,767.56, or 22 per cent. The increase in the number of orders paid is 30,380, or 32.4 per cent, and the increase in the value of money orders paid amounted to ₱2,256,054.84, or 33.1 per cent.

Money-order service was established at 91 additional post offices during the year, so that at the present time this service is in operation at every telegraph office of any importance.

There were 4,533 telegraphic transfers of money made by means of the money-order service, amounting to ₱1,307,166.89, for which ₱4,564.05 in money-order fees and ₱4,729.96 on telegrams was collected.

An agreement was made with the postal administration of the colony of Hongkong for a direct exchange of postal money orders, which does not, however, take effect until the beginning of the fiscal year 1912.

TELEGRAPH DIVISION.

There were sent during the year 506,302 telegrams, costing ₱368,018.70, as compared with 438,674 telegrams, costing ₱330,881.96, during the fiscal year 1910.

There were laid 200.1 kilometers of cable and 220.1 kilometers of cable recovered and abandoned; 413.4 kilometers of telegraph line were constructed, 322 kilometers reconstructed, and 72.4 kilometers discontinued and the serviceable material recovered. Twenty-seven new telegraph offices were opened and 1 military telegraph office transferred to the Government of the Philippine Islands, making a total of 230 telegraph offices doing business at the close of the year.

POSTAL SAVINGS BANK DIVISION.

The growth in the business of the postal savings bank since its creation has been steady and satisfactory. The gain in Filipino depositors with open accounts at the close of the fiscal year 1911 was more than 171 per cent over the prior year, and more than 80 per cent of all the open accounts on June 30, 1911, were held by Filipinos, as compared with 65 per cent on June 30, 1910. There was an increase of 97 per cent in the number of deposits made during the year and 26 per cent in the amount of the same. In number the withdrawals increased 36 per cent and in amount 20 per cent.

Following is a summary of the postal savings bank service for the fiscal years 1909, 1910, and 1911:

	Fiscal year.		
	1909	1910	1911
Bank offices at close of year:			
First class.....	20	25	26
Second class.....	99	232	270
Third class.....	132	36	118
Total.....	251	293	414
New accounts opened during the year.....	5,804	7,657	19,285
Accounts closed during the year.....	2,411	3,337	3,583
Accounts open at close of year.....	8,782	13,102	28,804
Increase over prior year.....	3,393	4,320	15,702
Average amount of each open account at close of year.....	P164.99	P128.17	P72.89
Deposits during the year.....	24,851	32,246	63,613
Average amount of deposits.....	P81.60	P69.40	P44.74
Total deposits made by depositors.....	P1,993,891.61	P2,237,966.99	P2,846,155.46
Withdrawals during year.....	11,604	16,062	22,004
Average amount of withdrawals.....	P137.54	P124.99	P110.25
Total amount of withdrawals.....	P1,596,002.95	P2,007,679.20	P2,425,927.32
Savings bank stamps sold.....	P9,796.25	P12,781.35	P31,963.65
Savings bank stamps redeemed.....	P9,607.10	P12,323.60	P27,596.00
Savings bank stamps outstanding.....	P1,533.65	P1,991.40	P6,359.05

The following tables show the classification of depositors:

SEX.

	Open accounts June 30, 1910.	New accounts opened during year.	Accounts closed during year.	Open accounts June 30, 1911.
Male.....	10,900	14,148	2,992	22,056
Female.....	2,146	5,124	581	6,689

NATIONALITY.

Americans.....	3,703	2,441	1,756	4,388
Filipinos.....	8,547	16,187	1,560	23,174
Europeans.....	477	367	165	679
Asiatics.....	319	277	92	504
Societies.....	56	13	10	59

Of the funds of the bank, P2,076,675.50 is invested and drawing interest at rates ranging from $3\frac{1}{2}$ to 10 per cent per annum. Of this total, P380,000 is loaned to banks at $3\frac{1}{2}$ per cent, P1,288,875.50 is invested in 4 per cent bonds, and P407,800 is loaned on real estate mortgages in the cities of Manila, Cebu, Iloilo, and Zamboanga at 8 and 10 per cent.

There was paid to depositors as interest on closed accounts P5,815.03, P27,993.51 in interest was added as deposits to accounts at the close of the year, and P73,048.53 was collected in interest on the invested funds of the bank.

BUREAU OF COAST AND GEODETIC SURVEY.

The general plan in relation to the division of the expenses of this bureau between the Government of the United States and the Government of the Philippine Islands is still in force.

PERSONNEL.

Capt. E. F. Dickins, who had directed the work of the coast and geodetic survey in the Philippine Islands for about three years, was relieved in February, 1911, in order to return to the United States, and Capt. P. A. Welker assumed the direction of the bureau.

There were 47 employees working in the Manila office during the year, and the field forces, including assistants and aids, watch officers, engineers, mates, recorders, petty officers, seamen, firemen, tide observers, laundrymen, and messmen, totaled 257.

COMPUTING DIVISION.

Original records of observations and computations were received and registered in this division, as follows:

Hydrographic	339
Tidal	178
Triangulation	93
Magnetic	4
Miscellaneous	1
Total	615

Attention has been centered on the completion of the Luzon adjustments, and the horizontal part of this work is substantially completed. All mountain peaks on Luzon and Mindoro, involving 258 points, have been adjusted and computed in position and elevations computed.

The preliminary work of adjusting the triangulation throughout the Visayas was commenced during the last month of the year.

A permanent metallic tide-gauge structure on Pier 5 at Manila was completed in July, 1910, and its operation has been in charge of this division.

In addition to the usual volume of requests for information, unusually heavy calls have been made by the United States Army in connection with extended surveys and reconnoissances.

DRAFTING DIVISION.

Seven Filipino draftsmen worked steadily in making finished tracings for chart publications, of which 19 were completed and forwarded to Washington for publication and 16 were still in progress on June 30, 1911. The other draftsmen were kept on hydrographic plotting and reduction work, making tracings of topographic sheets and other miscellaneous work.

A list of geographic names of the Philippine Islands is being compiled as other work permits.

NAUTICAL DIVISION.

This division has been engaged in the preparation of new editions of Sailing Directions for the Philippine Islands. Nine Notices to Mariners were prepared and published, and a large quantity of hydrographic information was received and filed.

The following publications were issued during the year:

Charts issued:	
To agents.....	1, 048
Military authorities.....	931
Naval authorities.....	828
Civil authorities.....	1, 111
Coast and geodetic survey vessels.....	197
Coast and geodetic survey suboffice.....	194
Miscellaneous parties.....	98
Sold for cash.....	2, 164
Total.....	6, 571
Pacific coast tide tables:	
Sold for cash.....	60
Issued to agents and for official use.....	76
Total.....	136
Sailing Directions, catalogues, and Notices to Mariners:	
Sailing Directions.....	856
Catalogues.....	121
Notices to Mariners.....	8, 550
Total.....	9, 527

GEOGRAPHICAL DIVISION.

Progress has been made on the compilation of a new, complete, and accurate general map of the Philippine Islands, which was commenced in August, 1908. The original plan was to finish the entire work on this map before making any publications, but at the beginning of the fiscal year 1911 it was decided to publish it in sections, each section to be printed as soon as completed. The compilation of a section including the islands of Panay, Guimaras, and adjacent smaller islands, has been completed and verified and the tracing is in progress, and the compilation of the section covering central Luzon has been completed with the exception of the mountainous regions of Zambales Province. The compilation of a map of the Mountain Province was started in October, 1910.

FIELD WORK.

On June 30, 1911, exclusive of Spanish and British surveys, 51.3 per cent of the entire general coast line of the Archipelago had been surveyed for charting, as compared with 46.6 per cent on June 30, 1910.

The number of miles of actual shore line surveyed, as distinguished from the number of miles of general coast line surveyed as previously reported during the last seven fiscal years are indicated in the following table:

	Miles.		Miles.
1905.....	494	1909.....	1, 017
1906.....	626	1910.....	1, 637
1907.....	1, 495	1911.....	1, 229
1908.....	1, 573		

The following table shows the total statistics of field work executed during the year:

Triangulation:

Area covered.....	square miles..	19, 590
Signals and scaffolds erected.....		266
Stations occupied (horizontal angles).....		167
Geographical positions determined.....		448
Base lines measured.....		1
Azimuth stations occupied.....		1

Topography:

Area covered.....	square miles..	2, 152
Detail coast line surveyed.....	miles..	1, 229
Rivers and creeks surveyed.....	do.....	281
Roads surveyed.....	do.....	171
Topographic sheets completed.....		45

Hydrography:

Area sounded.....	square miles	12, 275
Run while sounding.....	miles..	23, 432
Number of sounding made.....		305, 016
Tidal stations established.....		31
Hydrographic sheets finished.....		49

Number of days in the field.....		1, 377
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COST.

At this early date the cost to the United States of conducting coast-survey work in the Philippine Islands during the fiscal year 1911 can not be given, as the statements from the disbursing agent at the Washington office are not yet available. The total expense met by the Government of the Philippine Islands was ₱205,181.30.

BUREAU OF LABOR.

The scope of the work undertaken by the bureau of labor has been considerably increased during its second year of existence.

PERSONNEL.

The number of officers and employees on the rolls of the bureaus on June 30, 1911, was 22, an increase of 5 during the year. No change in the general organization of the work has been made.

FREE EMPLOYMENT AGENCIES.

The free employment agencies at Manila, Cebu, and Iloilo have rendered valuable assistance to employers and laborers.

Manila agency.—Laborers registered, 2,768; laborers placed, 1,090; percentage of laborers placed, 39.

Of the 1,090 laborers placed 473 were sent to points outside of Manila—the most of these to the Province of Tarlac to labor on an irrigation project and to Corregidor for work on the fortifications.

Cebu agency.—Laborers registered, 2,706; laborers placed, 1,937; percentage of laborers placed, 72.

Of the 1,937 laborers placed 1,241 were transferred to less populated islands—the greater proportion to Mindanao for work on hemp plantations and to Negros and Mindoro for work on sugar haciendas.

Iloilo agency.—At Iloilo but 159 laborers registered with the agency, 21 of whom were placed in that Province.

Prior to the establishment of the Iloilo agency representatives of the Manila office recruited 1,458 laborers in the Province of Antique and sent them to Negros and Mindoro.

In the Province of Iloilo 218 laborers were recruited and sent to Negros.

Some opposition to the movement of laborers from overpopulated Provinces to sparsely settled localities has been encountered, but generally speaking the agents of the bureau have not been hampered in their work.

LABOR ACCIDENTS.

An accurate record of labor accidents has been kept, tabulated to show the date of accident, name of victim, nationality, age, civil status, occupation, place of accident, including province, town, and employer, its result as to death or incapacitation, its nature, and the aid received by the victim.

It appears in this record that 168 labor accidents occurred during the year. Of this number 66 occurred in Manila. Two hundred and ten laborers were victims of the 168 accidents, of whom 59 died, 2 were permanently crippled, 144 were but temporarily incapacitated for work, and the fate of 5 who were injured in the Provinces has not yet been ascertained.

Of the 210 victims 74 belonged to Manila. Of the entire number 58 received gifts of money from their employers.

Outside of Manila the largest numbers of accidents and victims are credited to the Province of Bataan, where there were 13 accidents and 18 victims, 17 of the latter being in the employ of a Manila concern cutting timber in that Province. Of the 17 men 2 died.

Except in 6 cases, which were due to the negligence of employees, no responsibility for the accidents which occurred has been placed.

CLAIMS.

There were filed 49 claims, of which number 12 were without the province of the bureau and were referred to the proper authorities, 34 were for the payment of wages due, and 3 had to do with deductions from wages. Of the 37 claims handled by the bureau 17 were settled favorably to the claimants, 14 unfavorably, and 6 are still pending.

The intervention of the bureau in the settlement of accident cases and claims has generally been at the solicitation of the injured parties or their relatives and has always been of a conciliatory nature, no cases having been taken to court by its representatives.

STRIKES.

Five small strikes occurred during the year—three in Manila cigar factories and two, affecting a commercial firm and a restaurant, in the Provinces. Involved in these strikes were 222 laborers, of whom 162 were cigar makers, 50 day laborers, and 10 waiters.

Of the 5 strikes one lasted 6 days and 4 hours, one 2 days, one 7 days, one 12 hours, and one 4 hours, making a total of but 15 days and 20 hours during which there was a strike of any nature in the Philippine Islands.

LABOR UNIONS.

An attempt which was made to tabulate information concerning labor unions was a practical failure, as it was found that nearly all of the numerous unions which sprung into existence about two years ago had disorganized. There are really but two such organizations in the islands at this time, the merchant mariners and typographers being fairly well organized. Their activities are confined to supporting such claims of members as may be presented.

SCALE OF WAGES.

An attempt, the results of which are detailed in the annual report of the director of labor, was made to secure accurate data showing wages paid skilled and unskilled laborers prior to American occupation in 1898, in 1903 when the last census of the Philippine Islands was taken, and at the present time, to determine the percentage of increase or decrease, if any, during the American administration of affairs to date. The information secured is not very complete, as in some cases reliable data could not be secured as to rates paid prior to 1898, and in others the class of labor under investigation is not mentioned in the census of 1903.

The information at hand, however, indicates that a statement to the effect that wages paid to-day for the following classes of labor average throughout the islands 100 per cent more than those paid prior to 1898 is justified: Masons, boatmen, copra workers, caulkers, overseers, carriers, carpenters, teamsters, slipper makers, cigar makers, drivers, cooks, seamstresses, salt makers, blacksmiths, farm hands, gatherers of firewood, master carpenters, seamen, nipa workers, day laborers, fishermen, tailors, hat makers, shoemakers.

During the same time there has been a considerable rise in the prices of the necessities of life, but so far as the increase affects Filipino laborers it is not at all proportionate to the increased wage paid. The Filipino laborer to-day is better treated by his employers, receives more pay, lives better, and is more contented than he ever was under Spanish rule. It is also true that after 13 years of contact with Americans he works better and is worthy of the increased pay.

FILIPINO LABORERS FOR HAWAII.

The Hawaiian Sugar Planters Association reports that during the fiscal year 1910, 2,097 Filipino laborers have been recruited and sent to work in the cane fields of Hawaii. The wage offered there is somewhat higher than that obtainable by the same class of labor in the Philippine Islands, being for common labor \$18 gold a month of 26 working days, and this, with the added attraction of a trip to and sojourn in a distant land, with passage both ways met by the company if the terms of the contract are lived up to, takes the men with their families away from their home land.

On the whole, the Filipinos who have gone to Hawaii appear to be contented with their lot. But few complaints have been received from them. In some cases it has been found that over-zealous agents of the company were recruiting boys under age, but I believe in all cases where this has been discovered the company has been compelled

to return the minors to the islands. In many cases young boys who have been recruited for service in this manner have not gone farther than Hongkong before their families complained and took steps to have them returned.

OFFICE OF THE SUPERVISING RAILWAY EXPERT.

The total kilometerage of railway lines authorized by law, with the length constructed, to be constructed, and in operation on June 30, 1911, is shown below:

Road.	Authorized.	Constructed, in operation.	Constructed, not in operation.	To be constructed.
Manila R. R. Co.....	1,327.7	620.7	51.1	1,655.9
Manila Electric R. R. & Light Co.....	48.7	41.2	.....	7.5
Manila Suburban Rys. Co.....	19.9	9.9	.....	10.0
Tarlac Ry. Co.....	20.6	20.6	.....	.....
Dact Tramway Co.....	7.2	7.2	.....	.....
Philippine Ry. Co.....	368.6	211.9	.....	156.7
Insular Coal Co.....	12.0	12.0	.....	.....

¹ Approximate.

MANILA RAILROAD COMPANY.

Construction.—During the year 89.6 kilometers of track were laid by this company, the average required to complete guaranteed lines under legislative concessions by September 12, 1918, being 90 kilometers annually.

Operation, northern lines.—On the northern lines 441.8 kilometers of main track were in operation on June 30, 1911. The results of operation for the calendar years 1909 and 1910 follow:

	1909	1910	Increase.
Average operated kilometerage for which operating results are shown.....	342.7	409.1	66.4
Revenue from transportation.....	P2,035,025.75	P2,452,730.21	P417,704.46
Revenue from operation other than transportation.....	12,597.95	14,857.09	2,259.14
Operating expenses.....	900,779.79	1,072,974.47	172,194.68
Taxes.....	10,238.09	20,213.28	9,975.19
Operating income.....	1,136,605.82	1,401,597.85	264,992.03

Miscellaneous income, including income from separately operated properties, interest on securities, loans and accounts, etc., of which no report is obtainable for 1909, increased the operating income for the year 1910 to a gross total of P1,699,110.05.

The year 1910 was unusually free from severe storms, and but few interruptions to traffic were caused by washouts.

Operation, southern lines.—The average kilometerage operated during the year 1910 on the southern lines was 111.8, and the results of operation for the calendar year follow. No report is available for the previous year:

Revenue from transportation.....	P201,523.30
Revenue from operation other than transportation.....	346.34
Revenue from outside operations.....	658.54
Operating expenses.....	134,459.02
Taxes.....	1,574.74
Operating income.....	66,494.51

PHILIPPINE RAILWAY CO.

CONSTRUCTION.

Island of Cebu.—At the end of the fiscal year there were a few items of construction work unfinished, the majority of which were, under a ruling of the Governor General, required to be finished by August 1, 1911, two items running to October 1, 1911. No construction work has been done on the proposed line from Carcar across the island to Barili and Dumanjug.

Island of Panay.—During the year the construction forces have been engaged in completing the grade, ballasting, bridges, etc., and at the end of the year 11.4 kilometers of final ballasting remained to be done, together with the wharves at Iloilo, several water stations, and a number of miscellaneous items.

OPERATION.

Island of Cebu.—The results of operation for the fiscal years 1910 and 1911 over the 95.6 kilometers of line on Cebu follow:

	Fiscal year—		Increase.
	1910	1911	
Revenue from transportation.....	P236,435.84	P272,168.11	P35,732.27
Revenue from operation other than transportation.....	1,320.56	13,606.93	12,286.37
Interest on bank balances.....		2,072.45	2,072.45
Operating expenses.....	197,415.26	198,150.65	735.39
Taxes.....		2,593.95	2,593.95
Net operating income.....	40,341.14	87,102.89	46,761.75

Island of Panay.—The line on this island from Iloilo to Capiz has been in construction operation since September 1, 1910, the average kilometerage under operation during the year being 110.2. In the following table the average operated kilometerage for the fiscal year 1910 is 74.55, and for the fiscal year 1911, 110.2.

	Fiscal year—		Increase.
	1910	1911	
Total revenue.....	P146,188.60	P273,533.82	P127,345.22
Operating expenses.....	111,180.43	171,420.35	60,239.92
Operating income.....	35,008.17	102,113.47	67,105.30

MANILA ELECTRIC RAILROAD & LIGHT CO.

	Fiscal year—		Increase.
	1910	1911	
Kilometerage of lines in operation.....	63.2	64.7	1.5
Operating revenue.....	P1,124,612.31	P1,244,048.35	P119,436.04
Operating expenses.....	606,211.34	641,839.86	35,628.52
Operating income.....	518,400.97	602,208.49	83,807.52

MANILA SUBURBAN RAILWAYS CO.

	Fiscal year—		Increase.
	1910	1911	
Kilometerage of lines in operation.....	11.6	11.6	.....
Operating revenue.....	P215,670.40	P251,563.03	P35,892.63
Operating expenses.....	123,441.22	116,348.18	17,093.04
Operating income.....	92,229.18	135,214.85	42,985.67

¹ Decrease.

DAET TRAMWAY CO.

The Daet Tramway Co., operating over 7.24 kilometers between Daet and Mercedes, in the Province of Ambos Camarines, reports a total revenue from passengers, freight, and mails of P17,369.19, with operating expenses, including maintenance and taxes, of P12,528.75, leaving an operating income for the year of P4,840.44. The equipment of this short line consisted of 4 passenger cars and 20 freight cars, operated by 22 bulls.

TARLAC RAILWAY CO.

The Tarlac Railway Co., operated entirely by the use of Manila Railroad Co. equipment, under contract with that company, between the towns of Paniqui and Camiling, a distance of 20.58 kilometers, in the Province of Tarlac, reports as follows on the results of operation during the fiscal year 1911:

Total revenue.....	P33,384.80
Operating expenses.....	15,886.12
Taxes.....	1,612.16
Operating income.....	15,886.12

OFFICE OF THE CONSULTING ARCHITECT.

The architectural designing of 103 projects, representing an approximate construction cost of P12,551,615, was handled during the year. This is far in excess of the work of any previous year.

Of the 103 projects handled, the plans for 62 have been completed and 41 are in course of preparation, the preliminary plans having been prepared and submitted for approval. Work performed for the city of Manila, in the location and treatment of streets and parks, is not included in the above.

Of the 62 plans completed, 40 provide for reinforced concrete construction, costing P2,492,312; 19 for native hardwood construction, costing P345,458; 2 for brick buildings, costing P40,000; and 1 for a granite structure, costing P15,500.

Among the important structures completed during the year were the new customhouse at Cebu; a nurses' home, dispensary, and garage at the general hospital, Manila; a laundry at San Lazaro Hospital; cattle sheds in Pandacan district, Manila; a dormitory school at Vigan, Ilocos Sur; a provincial building at Bontoc, Mountain Province; a municipal market at Tayabas; and a city hall, mess hall, dor-

mitory, hall for the Veteran Army of the Philippines, officers' quarters, fireproof record vault, and 69 cottages at Baguio, Mountain Province.

THE CAPITOL GROUP.

Plans have been for some time in course of preparation for a new group of buildings to be erected in Government Center, as plotted on the Burnham plan of Manila, to house the executive offices of the Government, both branches of the Legislature, the supreme court, and most of the bureaus.

Preliminary sketches of the entire group, following the general scheme of the Burnham plan, were submitted to and approved by the committee created in Act No. 1841, in March, 1911. It is proposed to submit a complete set of final plans to the Legislature during its coming fall and winter session.

EDUCATIONAL GROUP.

The normal school, the first of the group of buildings to be erected in educational center, following the Burnham plan, is in course of construction at the corner of Taft Avenue and Ayala Street. It is designed in the shape of a V, will be three stories high, have a large auditorium at the apex of the V, and contain 26 classrooms, a library, and three laboratories. It is being constructed of steel and concrete, and will cost approximately ₱398,000.

CITY OF MANILA.

The development of the street system of the city of Manila has been continued by the opening up of outlying districts for occupation as circumstances required.

Preliminary work and filling have been commenced on Malate Park, in the southern part of the city, which when completed will take the place of the present botanical gardens on Bagumbayan Drive, the latter property being required for building sites in connection with the development of Government Center.

Work on the moat surrounding the old walls has been slowly progressing, and the completed section, between Palacio Street and the Malecon Drive, aside from presenting a pleasing picture, provides a splendid playground of level turf. The revised plans for the section between Palacio and Victoria Streets provide for four baseball diamonds and ten tennis courts. These, with a football and cricket field in the west section and a large additional space for general recreation between the Bridge of Spain and Victoria Street, will provide ample playgrounds for a large section of the city.

The parking on the Luneta extension is nearly completed, and that part near the new Manila Hotel will be graded by the time that building is completed.

Several new buildings have been commenced in the port district, and one block thereon, opposite the Manila Hotel, has been set aside for a sales-agency building, in which will be exhibited and sold products and manufactures of the schools of the islands and articles produced or manufactured in the Provinces inhabited by Moros and other non-Christian tribes.

Preliminary plans for a bridge across the Pasig River near its mouth, to cost about ₱1,000,000, have been approved, and the final plans are in course of preparation. This bridge is necessary to give access to the new port district for all classes of rail and wheel traffic for the present business section of the city.

Plans have also been drawn for transit storage warehouses to be erected along the south side of the Pasig River to accommodate shippers dealing with vessels which dock there.

GENERAL.

The cost of operating this office during the year, including the salary of the consulting architect, all employees and inspectors assigned from the bureau of public works, and necessary incidental expenses, was ₱98,398.27.

CORPORATIONS.

The total number of corporations doing business in the Philippine Islands on June 30, 1911, was, foreign, 221, and, domestic, 377, of which 79 were nonstock and 24 religious corporations. During the fiscal year 1911, 216 documents, consisting of articles and amended articles of incorporation, certificates of increase of capital stock, by-laws and amended by-laws, were registered and filed in the division of archives, patents, copyrights, and trade marks of the executive bureau. There was collected as fees for the filing of the same the sum of ₱3,462.

One hundred and nine new corporations were authorized and licensed to do business, of which number 13 were foreign and 96 domestic, 24 of the latter being nonstock corporations.

Respectfully submitted.

CHARLES B. ELLIOTT,
Secretary of Commerce and Police.

To the PHILIPPINE COMMISSION,
Manila, P. I.

**REPORT OF THE SECRETARY OF FINANCE
AND JUSTICE.**

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REPORT OF THE SECRETARY OF FINANCE AND JUSTICE.

DEPARTMENT OF FINANCE AND JUSTICE,
Manila, October 19, 1911.

GENTLEMEN: I have the honor to submit the following report of the department of finance and justice, which, unless otherwise stated, will cover only the year ended June 30, 1911.

JUDICIARY.

SUPREME COURT.

There were pending at the beginning of the fiscal year 734 cases, of which 368 were civil and 366 criminal. During the year there were filed 418 civil and 420 criminal cases, a total of 838, as against 338 civil and 449 criminal cases filed during the previous year, showing an increase of 51 cases. More cases were disposed of by the court than during the previous year. There were decided 244 civil and 343 criminal cases, a total of 587, as against 224 civil and 317 criminal cases, a total of 541, for the fiscal year 1910. One hundred and seventeen cases were otherwise disposed of, of which 50 were civil and 67 were criminal cases, as compared with 109 cases, 51 civil and 58 criminal, for the previous fiscal year.

There were pending at the close of the year 868 cases, 492 civil and 376 criminal. Notwithstanding the large number of cases disposed of by the supreme court during the year, there were at the close thereof 134 more cases pending than at the beginning of the year, due to the increase in the number of cases filed, and more especially to the fact that fewer cases were disposed of than were filed during the year. Of the cases pending at the end of the year, 107 were submitted, but no decision rendered; 600 were not ready for hearing on account of briefs not being filed; and 161 ready for argument were placed on the calendar for July, 1911, an increase of 3 as compared with the number at the beginning of the year.

One hundred and fifty-eight candidates for admission to the bar were examined during the year, as against 128 for the preceding year. Sixty-one candidates passed the examination, while 72 were successful the previous year.

Volumes XV and XVI, Philippine Reports, were published in English and Spanish, and a digest is being prepared to include 20 volumes of these reports.

The total collections by the supreme court amounted to ₱10,859.96, as compared with ₱10,157.40 during the fiscal year 1910.

COURT OF FIRST INSTANCE OF MANILA.

During the year 814 civil cases were filed, 688 cases were disposed of, and 1,118 were pending at the close of the year, as compared with 702 filed, 699 disposed of, and 922 pending at the close of the preceding year. There were filed 1,125 criminal cases, as against 1,322 in the fiscal year 1910, and 1,137 criminal cases were disposed of, as against 1,311 during the previous year, leaving pending at the end of the year 59 cases, as compared with 71 pending at the close of the previous year. There were 31 customs appeal cases pending at the beginning of the year; 22 were filed and 27 disposed of during the year, leaving 26 at the end of the year.

From the above statement it appears that there was a noticeable increase in the number of civil cases filed, while the criminal cases filed shows a falling off to the extent of nearly 200 cases. The larger number of civil cases pending at the end of the year than at the beginning thereof is chargeable not only to the increase in the number of cases filed, but to a great extent to the illness and death of Judge Estanislao Yusay, who was assigned to the civil branch of the court. He was continuously ill from about the first of the calendar year 1911 until his death, which occurred on June 2.

The collections made by the court of first instance of Manila during the year amounted to ₱54,009.18, as against ₱43,185.11 for the previous year.

COURTS OF FIRST INSTANCE IN THE PROVINCES.

Including probate cases, there were filed during the year 3,486 civil cases, as compared with 2,965 during the preceding year, showing an increase of 521, and 3,643 civil cases were disposed of, as compared with 2,702 during the preceding year, an increase of 941 in the number of cases disposed of. At the end of the year there were pending 2,368 ordinary civil cases and 1,839 probate cases, a total of 4,207, as against 2,530 ordinary civil and 1,834 probate cases, a total of 4,364, pending at the close of the previous fiscal year, a decrease of 157 cases.

There were 7,081 criminal cases filed, as compared with 6,092 filed during the preceding year, an increase of 989; 7,135 criminal cases were disposed of, as against 6,018 during the preceding year, an increase of 1,117. The number pending at the end of the year was 1,740 cases, as compared with 1,794 at the end of the fiscal year 1910, or a net decrease in the number of criminal cases pending of 54.

From these statistics it appears that notwithstanding the remarkable increase in the number of cases filed during the year, the number of cases pending at the end of the year was less than the number pending at the close of the preceding year, due to the greater amount of work accomplished. The increase in the number of cases filed was about 16½ per cent more than for the preceding year, while the increase in the number of cases disposed of amounted to nearly 23½ per cent.

During the year orders were issued for holding special terms at other than the regular places for holding court, as follows:

Date of order.	Where held.	Judge.
1910.		
July 2.....	Antimonan, Tayabas.....	Judge of the district.
July 12.....	Oroquieta, Misamis.....	Do.
Do.....	Mambajao, Misamis.....	Do.
Aug. 9.....	Malabang, Moro.....	Do.
Sept. 1.....	Daet, Ambos Camarines.....	Do.
Sept. 5.....	Butuan, Agusan.....	Do.
Do.....	Oroquieta, Misamis.....	Do.
Sept. 17.....	Aparri, Cagayan.....	Chas. A. Low, judge at large.
Dec. 8.....	Maasin, Leyte.....	Judge of the district.
Dec. 28.....	do.....	Vicente Santamaria, judge at large.
Do.....	Aparri, Cagayan.....	Judge of the district.
1911.		
Jan. 3.....	Misamis, Misamis.....	Do.
Do.....	Dansalan, Moro.....	Do.
Do.....	Oroquieta, Misamis.....	Do.
Do.....	Tauit, Mountain.....	Carter D. Johnston, judge, first district.
Jan. 21.....	Tagudin, Mountain.....	Judge of the district.
Do.....	Cervantes, Mountain.....	Do.
Do.....	Banaue, Mountain.....	Do.
Jan. 27.....	Cuyapo, Nueva Ecija.....	George N. Hurd, judge at large.
Mar. 2.....	Virac, Albay.....	Judge of the district.
Mar. 4.....	Cuyapo, Nueva Ecija.....	Do.
Apr. 17.....	Malabang, Moro.....	Do.
May 13.....	Daet, Ambos Camarines.....	Do.
June 14.....	Bogo, Cebu.....	Do.
June 21.....	Aparri, Cagayan.....	Do.

In addition to the above, orders were issued directing judges at large to act in various districts, as follows:

Date of order.	District.	Judge.	Date of order.	District.	Judge.
1910.			1911.		
July 7.....	Fifth.....	Francisco Santamaria.	Jan. 28.....	Eleventh.....	George N. Hurd.
July 26.....	First.....	Charles A. Low.	Mar. 2.....	Manila.....	Herbert D. Gale.
Sept. 22.....	Eleventh.....	Francisco Santamaria.	Apr. 3.....	Sixth.....	Francisco Santamaria.
Sept. 24.....	Sixth.....	Isidro Paredes.	Apr. 8.....	Third.....	George N. Hurd.
Oct. 8.....	Fourth.....	George N. Hurd.	Apr. 12.....	Eighth.....	Herbert D. Gale.
Nov. 28.....	Fifth.....	Francisco Santamaria.	May 3.....	Eleventh.....	Do.
Dec. 7.....	Twelfth.....	Do.	May 18.....	Fourth.....	Do.
Dec. 28.....	Third.....	Isidro Paredes.	June 5.....	Manila.....	Do.
1911.			June 30.....	Fifth.....	Do.
Jan. 3.....	Eighth.....	Herbert D. Gale.	Do.....	Tenth.....	George N. Hurd.

Orders were also issued directing regular judges to act in other districts, as follows: On July 11, 1910, to Judge del Rosario, of the fifth district, to act in Manila; on February 3, 1911, to Judge Jenkins, of the third district, to act in the Mountain District; and on April 22, 1911, to Judge Campbell, of the Mountain District, to act in Manila.

The collections made by the courts of first instance in the Provinces during the year amounted to ₱158,627.94, as against ₱132,448.15 during the fiscal year 1910.

COURT OF LAND REGISTRATION.

There were filed during the year 983 applications, a greater number than during any previous year since the court was organized, except the years 1907 and 1909, in which there were filed, respectively,

1,059 and 1,398 applications. The value of the property represented by the applications filed during the year amounted to ₱7,850,548.96, as compared with ₱8,039,399.30, the value of the property represented by 671 applications filed during the previous year. The increase in applications is owing to the number filed as a result of reservation proceedings and to a desire on the part of municipalities to obtain the benefits of the Gabaldon act. The business transacted by the court during the year is shown by the following table:

Fiscal year 1911.	Con- firmed.	Denied.	Dis- missed.	Totals.
Final disposition made.....	1,188	38	207	1,433
Decided, but subject to appeal.....	132	3	18	153
Appealed to supreme court.....	54	8	1	63
Total year's business.....	1,374	49	226	1,649
Previous appeals still pending.....	26	2	5	33
Prior final disposition made.....	4,580	194	329	5,103
Total business transacted.....	5,980	245	560	6,785
Pending on the dockets.....				689
Total cases, June 30, 1911.....				7,474

Of the 7,474 applications filed, 2,002 were in the city of Manila and 5,472 in the Provinces. The total value of the property involved in these applications was ₱85,825,640.55, ₱40,640,509.35 being in the city of Manila and ₱45,185,131.20 in the Provinces. The general average value of the property involved in these applications is: In the city of Manila, ₱20,299.95; in the Provinces, ₱8,257.52.

The registration of the friar lands estates and other large haciendas, has contributed to increase the general average in the Provinces, and when the holders of small tracts of land avail themselves of the provisions of the land registration act this general average will fall to a much lower figure.

The number of final decrees issued by the court of land registration during the past fiscal year was greatly in excess of the number issued during any previous year. There were issued 1,888 decrees in 1,203 cases, involving 3,080 parcels of land, comprising a total area of 821,933,207 square meters. From the organization of the court to the close of the last fiscal year there were 5,105 cases, involving 8,380 parcels of land, comprising an area of 2,921,232,705 square meters.

The total number of cases in which decrees were issued does not agree with the figures given in the preceding table of business transacted by the court, due to the fact that corrections in plans and surveys are frequently made in the final decision, and for this reason final decrees were not issued in many cases included in the above table in the item showing final disposition.

It should be borne in mind that the figures above given do not necessarily represent the total area brought under the operation of the land registration act, but only private holdings, title to which has been confirmed by the court. Titles to land under the provisions of the public-land act and titles to mineral claims are reported by the register of deeds without the intervention of the court.

The great amount of work accomplished by the court during the year is due to the fact that two more associate judges were appointed, and more especially to the fact that there was tried case No. 6692,

entitled "The Director of Lands *v.* Numeriano Abalos et al," involving an area of approximately 604 hectares in the town of Asingan, Pangasinan Province, divided into 918 separate holdings, including town lots and agricultural lands. The number of parcels of land titles to which were adjudicated in this one case forms practically one-third of the total number decreed during the past fiscal year. The case mentioned was an action brought under the provisions of section 61 of the public-land act, and was to all intents and purposes a cadastral project. The average expense to the owners of the properties involved in this case was ₱7.28, including their proportionate part of the expense of the survey and court costs. The results obtained in this case, compared with the results in ordinary cases brought under Act No. 496, demonstrate fully the advantage of the cadastral system and the necessity of a law providing for such a system. It would very considerably shorten the time within which all properties in the islands could be registered and would reduce the expense of registration both to the Government and to land owners. The cost of the registration of small holdings under Act No. 496 is at the present time practically prohibitive.

JUSTICE OF THE PEACE COURTS.

A summary of the reports submitted by the judges of the courts of first instance in their respective districts, covering the period from November 30, 1909, to November 30, 1910, is as follows:

Criminal cases:

Pending Nov. 30, 1909	4,061	
Cases filed	82,923	
		86,984
Dismissed	10,282	
Cases decided	70,176	
Pending Nov. 30, 1910	6,526	
		86,984

Civil cases:

Pending Nov. 30, 1909	830	
Cases filed	13,730	
		14,560
Dismissed	3,527	
Cases decided	10,140	
Pending Nov. 30, 1910	893	
		14,560

Costs, fees, and fines collected, ₱259,672.49

The above does not include the following municipalities: Bagbao, Calayan. Santo Niño, Solana, Tuao (Cagayan), Palanan (Isabela), Famy (La Laguna), Lubang (Mindoro, Balasan, Tigbauan (Iloilo), Hinunangan, Liloan (Leyte), Ganfara, Santa Rita, and Santa Niño (Samar), reports from the justices of the peace of these municipalities not having been received by the respective judges.

Comparing these statistics with those of the previous year, it appears that there was a great increase both in the number of cases filed and in the cases disposed of by the justices of the peace during the year. There were 82,923 criminal cases filed, 10,282 dismissed, and 70,176 decided during the year, as compared with 56,582, 6,549, and 50,061, respectively, during the preceding year. There were 13,730 civil cases filed, 3,527 dismissed, and 10,140 decided during the year, as compared with 11,550, 3,257, and 8,655, respectively, during

the preceding year. Notwithstanding the great amount of work accomplished by the justice of the peace courts during the year, due to an increase in the number of cases filed, there was a larger number of cases pending at the close of the year than at the beginning thereof. An increase is also shown in the costs, fines, and fees collected of ₱70,032.37.

During the fiscal year 171 justices of the peace and 193 auxiliary justices of the peace were appointed; 10 and 19, respectively, refused appointment, 79 and 112 resigned, 22 and 10 were removed, and 8 and 6 died. Charges were brought against 29 justices of the peace for delinquencies in the exercise of their office, of which 17 were suspended pending final decision. Of these 29 accused justices of the peace, 13 were removed and disqualified, 9 were removed, 3 were required to resign or resignation accepted, 3 were reprimanded, disciplined, or suspended, and 1 was found not guilty. Charges were brought against 13 auxiliary justices of the peace, 8 of which were suspended pending final decision. Of these 13 auxiliary justices, 3 were removed and disqualified, 7 were removed, 1 was required to resign or resignation accepted, 1 was warned or suspended, and 1 was found not guilty.

The organization of the justice of the peace courts in the territory under the jurisdiction of the Legislature has undergone an important reform by virtue of Act No. 2041, passed February 3, 1911. Justices of the peace at provincial capitals are required to be lawyers and have greater jurisdiction than the justices in other municipalities. To hold the office the requirement has been established of an examination to test the fitness of those persons who are not lawyers or qualified to hold the office of clerk of the court of first instance, and instead of being paid by fees, justices of the peace have been put on a salary.

This reform was with much insistence recommended by the undersigned in previous annual reports. It has raised the office in the eyes of the public, has attracted to it a better personnel, and has awakened a greater interest amongst the people of the towns in the appointment of justices of the peace. Taking this into consideration, it is not too much to expect that this amendment of the law will improve the service of the justice of the peace courts.

BUREAU OF JUSTICE.

The office of the attorney general furnished 212 written opinions to the Governor General, heads of departments, and other officials. It presented briefs and arguments in the supreme court in 252 cases and appeared by motion, etc., in 29 cases. In the court of land registration it appeared and entered opposition in 554 cases and examined without opposing registration 410 cases. It conducted 266 cases in the courts of first instance in Manila and in the provinces, examined title papers in 79 applications for loans submitted by the Agricultural Bank, and examined titles in 61 mortgages involving loans to the amount of ₱230,450.

Comparing these statistics with those of the previous fiscal year, there is shown a slight falling off in the number of cases handled and the number of opinions rendered, but an increase in the amount of other legal work receiving the attention of the office.

The attorney general took charge of the estates of 30 deceased American employees, the total amount of money collected on account of such estates being ₱26,852.38 and the disbursements ₱22,363.48, leaving a balance on hand on June 30, 1911, to the credit of unliquidated estates of ₱7,582.10.

BUREAU OF THE TREASURY.

FINANCIAL STATEMENT.

The following is a statement showing the balance on hand at the close of the fiscal year 1910, the receipts, withdrawals, and currency exchanges during the fiscal year 1911, and the balance on hand at the close of business on June 30, 1911:

General funds:

Balance on hand at close of business June 30, 1910..... ₱34,508,049.15

Receipts for fiscal year, account of—

Customs	₱14,201,945.09	
Internal revenue.....	11,613,069.57	
Miscellaneous	1,212,174.64	
City of Manila.....	3,140,600.70	
Repayments	6,100,144.27	
Gold-standard fund.....	1,951,325.24	
Trust funds.....	8,671,949.15	
Currency exchanges.....	64,238,828.90	
		<u>111,130,087.56</u>

Total..... 145,638,086.71

Withdrawals for fiscal year, account of—

Check vouchers paid	49,463,672.13	
Currency exchanges.....	64,238,828.90	
		<u>113,702,501.03</u>

Balance on hand June 30, 1911..... 31,935,585.68

Depository accounts:

Balance on hand at close of business

June 30, 1910.....	9,689,084.46
Deposits during fiscal year.....	<u>119,357,297.88</u>

Total..... 129,046,382.34

Withdrawals during fiscal year..... 118,688,705.39

Balance on hand June 30, 1911..... 10,357,676.95

Certificate redemption fund:

Balance on hand at close of business June 30, 1910.....

30, 1910.....	26,502,590.50
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Certificates issued during fiscal year..... ₱11,562,000.00

Certificates retired during fiscal year..... 10,724,681.00

Net amount issued during fiscal year..... 837,319.00

Balance in fund at close of business June 30, 1911..... 27,339,909.50

Total of funds for which insular treasurer was accountable at close of business on June 30, 1911..... 69,683,172.13

This balance was distributed as follows:

	United States currency.	Philippine currency.
In treasury vaults.....	\$3,527,886.35	₱34,291,752.38
In treasury vaults, certified checks on local banks.....		407,642.16
On deposit with local banks on open account.....		2,776,342.54
Time deposits with local banks.....		1,981,961.05
On deposit with authorized depositories in the United States.....	12,559,860.65	
	15,087,737.00	39,457,698.13
		30,175,474.00
Total.....		69,633,172.13

The "general funds" balance of ₱31,933,585.68 in the foregoing statement includes the case balances of various trust funds and is made up as follows:

Gold standard.....	₱20,153,967.28
Friar lands bonds, sinking fund.....	815,213.84
City of Manila sewer and waterworks construction bonds fund.....	417,154.98
City of Manila sewer and waterworks construction bonds sinking fund.....	25,411.95
Money-order funds.....	788,637.29
Constabulary pension and retirement fund.....	84,769.62
Assurance fund, Act No. 496.....	18,789.82
Insurance fund, Act No. 1728.....	151,749.71
Fidelity bond premium fund.....	107,079.69
Public works and permanent improvements bonds, sinking fund.....	8,772.95
Postal savings bank funds.....	332,804.92
Insurance fund, city of Manila.....	2,542.14
General fund.....	9,130,891.49
	81,935,585.68

The "depository balance" in the same statement is made up of the case balances of the following accounts:

Agricultural Bank.....	₱242,265.81
American Bank in liquidation.....	5,186.21
Cavite electric-light franchise, section 2, Act No. 667.....	1,000.00
Fourth of July fund.....	1,886.45
Insular disbursing officers.....	2,551,762.90
Memorial monument fund, Act No. 1840.....	255.52
Treasurer of the United States.....	2,203,185.92
Trust funds, section 11, Act No. 1510.....	89,970.00
United States disbursing officers.....	5,159,937.04
Marinos mercantes in liquidation.....	257.10
Bond purchase account Banco Español-Filipino.....	102,000.06
Total.....	10,357,876.95

INTEREST COLLECTED.

The total amount of interest received during the year on Government funds deposited with authorized depositories in the United States and in the Philippine Islands was ₱938,274.71, being a decrease over that received during the previous year of ₱55,809.35. This was owing to the lower rate of interest received, due partly to the fact that a higher grade of securities was required to guarantee the deposits, and partly to the fact that all funds in the United States were on open account instead of on fixed deposit as formerly.

¹ Includes Rizal monument fund, outstanding liabilities, and such other trust funds as are not accounted for separately on the books of this bureau.

FIDELITY BOND PREMIUM FUND.

Shortages paid from this fund during the year amounted to ₱15,149.31, as compared with ₱10,145.72 paid during the preceding year. The fund started with a capital of ₱122,553.14, and at the end of the fiscal year under consideration it amounted to ₱406,705.86, a net increase of ₱284,152.72, after deducting all payments on account of shortages.

The rate of premium charged is 1 per cent, and the total amount of bonds in effect on June 30, 1911, was ₱8,416,000. It is believed that in the near future the annual earnings from the investments of the fund will be more than sufficient to offset any defalcation likely to occur, even in unfortunate years.

The cost of the operation of the bonding division has thus far been paid from the appropriation for the bureau of the treasury and amounts to about ₱5,500 per annum. In view of the healthy condition of the fund, I recommend that legislation be enacted providing that the cost of operating the bonding division be borne by the fund itself.

BANKS AND BANKING.

Agricultural Bank.—The transactions of the Agricultural Bank show but little if any improvement over last year. The number of applications for loans was 123; number of loans made 61, as compared with 148 and 89, respectively, for the previous year. However, the total amount of loans, ₱230,450, was slightly in excess of the amount loaned last year, ₱224,400. Seven loans amounting to ₱32,081 were repaid. Interest on seven loans, amounting to ₱1,602.45 became delinquent. Foreclosure proceedings were instituted during the year on two mortgages, the amount realized in each case being ample to protect the bank from loss. At the end of the year there remained outstanding loans amounting to ₱470,519. The profits of the bank since its organization amount to ₱62,952.36.

Until the 1st of October, 1911, loans were made with interest at the rate of 10 per cent per annum. By resolution of the board of directors the interest was reduced to 8 per cent per annum after that date on loans guaranteed by property registered under the land registration act. This will have a stimulating effect both on the registration of titles and on applications for loans, thus removing the chief obstacle in the way of increased business for the bank, namely, the lack of sufficient titles by intending borrowers.

Private banks.—All the commercial banks of the islands as well as the Monte de Piedad and savings bank of Manila were examined and reported on during the year by deputies of the insular treasurer.

A comparative consolidated statement of the resources of the four commercial banks and their various branches in operation in these islands shows the following:

	1910	1911	Increase.	Decrease.
Total resources.....	₱45,712,910.45	₱49,115,393.72	₱3,402,483.27	
Current accounts.....	18,191,008.18	14,424,010.49		₱3,766,997.69
Fixed deposits.....	6,311,463.31	10,349,317.96	4,037,854.65	
Loans and discounts.....	7,779,634.63	7,415,454.04		364,180.59
Overdrafts.....	14,019,037.37	18,189,289.22	4,170,251.85	

Banks in liquidation.—The American Bank is still in the hands of the receiver due to the fact efforts to dispose of a small parcel of hemp land belonging to the bank have thus far been unavailing, but negotiations are at present pending which may result in its sale and in the final liquidation of the affairs of the bank.

The receivership of the S. Misaka Bank was terminated during the year, and the distribution of the assets approved by the court. Owing to the nature of the assets of this bank, consisting chiefly of unsecured and practically worthless paper, the creditors only received 8 per cent of their claims.

MUTUAL BENEFIT AND BENEVOLENT SOCIETIES.

During the year reports were received from the following institutions and societies: Manila Building & Loan Association, El Hogar Filipino (Filipino Building & Loan Society), Firemens' Relief Association, Civil Employees of the Custom House, Filipino Seamen's Union, Mutual Benefit Society Filipino, police of Manila, Laan sa Kabuhayan (Employees of the Manila Times), Balintawak Labor Union, Navotas Labor Union, Mutual Relief Society of Bankusay, Filipino Printers' Union, Timbulan Labor Union.

The affairs of the Gremio de Marineros Mercantes are still in the hands of the insular treasurer as receiver. Suit has been instituted in the courts with a view to realizing on certain of the assets of this society, and pending the termination of this suit nothing further can be done.

BOND ISSUES.

No new bond issues have been made during the year by either the insular Government or the city of Manila. During the year authority was given to the Philippine Railway Co. to issue bonds amounting to \$1,668,000 and to the Manila Railroad Co. for the issuance of \$2,996,000 against completed portions of their roads. The total issue of the Philippine Railway Co. to date amounts to \$8,107,000 and of the Manila Railroad Co. \$2,996,000, and the annual liability of the Government on account of its guaranty amounts to ₱888,240 Philippine currency.

GOLD STANDARD FUND.

The operations of this fund were somewhat greater than for the previous fiscal year, the amount of exchange sold on New York being ₱27,725,387.60, as compared with ₱20,943,416.56, an increase of about ₱6,800,000.

Telegraphic transfers and demand drafts sold during the year by the insular treasurer on provincial treasurers, and vice versa, shows a slight increase over the preceding year, the total of such sales amounting to ₱2,573,192.56.

An increase of ₱74,171.07 is shown in the amount of premium received from the sale of exchange during the year, as well as an increase of ₱120,411.30 in the amount of interest received from depositories. The total net income of the fund from these two sources amounted to ₱916,771.99, as compared with ₱722,289.62 for the previous year, an increase of ₱194,482.37.

On June 30, 1910, the gold standard fund amounted to ₱19,379,179.30. On June 30, 1911, it amounted to ₱20,617,755.56, an increase of ₱1,238,576.26 for the year.

CIRCULATION.

The exports of Spanish, Filipino, and Mexican coin from July 1, 1903, to June 30, 1911, amounted to ₱33,580,520.60. It is estimated that some ₱400,000 still remains in the islands, chiefly in the Sulu district of the Moro Province, and the necessary steps have been taken by the Government to eliminate this from circulation.

The recoinage of silver currency of the first issue is being gradually accomplished. During the year ₱647,000 was withdrawn from circulation and forwarded to the San Francisco mint and recoined. About 90 per cent of this first issue has been withdrawn to date, and taking into consideration the amount exported at the time the value of this coinage exceeded its face value until its exportation was prohibited by law, it may be approximately calculated that ₱2,500,000 are still in circulation in the islands.

The total silver coinage of the present weight and fineness already received from the United States mint amounts to ₱48,526,368.87.

On June 30, 1911, there were silver certificates in circulation to the amount of ₱27,339,909.50, and in the treasury vaults to the amount of ₱21,647,000, a total of ₱48,986,909.50. During the year mutilated silver certificates to the amount of ₱4,147,681 were destroyed and new certificates to the value of ₱200,000 were received from the Bureau of Insular Affairs, making the total net amount of silver certificates in circulation and in the treasury vaults, ₱45,039,228.50 on June 30, 1911.

Bank notes of the Banco Español-Filipino received by the insular treasurer and issued to the bank for circulation amounted to ₱3,390,000.

The total amount of money in circulation in the islands on June 30, 1911, was ₱48,155,587.15, being ₱599,110.21 less than it was on the same date in 1910.

EXPENSES OF CONDUCTING THE BUREAU.

The total expenditures for the bureau during the year amounted to ₱123,104.30, compared with ₱113,511.31 for the previous year. The apparent increase in the cost of conducting the bureau is due to the fact that during the year accrued leave amounting to ₱16,539.62 was commuted, as compared with ₱4,849.67 for the year 1910.

BUREAU OF CUSTOMS.

IMPORTS.

The total imports during the year amounted to \$49,833,722, as compared with \$37,067,630 for the previous year. In considering, however, the increase shown in importations it should be borne in mind that the value of articles imported free of duty by the Army, Navy, and the Government of the Philippine Islands, and for the Government-aided railways, amounting to \$4,865,933, is for good

administrative reasons included in the fiscal year 1911, but was not included in the figures for the previous fiscal year.

The United States, which in 1910 for the first time headed the list of countries sending merchandise to these islands, has maintained its position during the year with importations of \$19,818,841, being 39.8 per cent of the total imports, as against \$10,798,238, or 29.1 per cent of the total importations during the year 1910. The French East Indies, with importations of \$7,415,881, as compared with \$5,454,674 for the previous year, has supplanted England, forcing her from second to third place. Australasia, Japan, Germany, and China follow in order, the latter country having dropped from fourth to seventh place. The other countries occupy the same relative position as in the previous year, save that Hongkong and Switzerland have changed places, Switzerland having dropped behind. With the exception of China, Switzerland, Belgium, and the Dutch East Indies, all countries show an increase in the value of importations; but, due to the United States' increased percentage of the total importations, the percentage of the other countries has decreased, with the exception of the French East Indies, whose percentage is 14.9, as compared with 14.8 the preceding year, and of Hongkong, which maintains the same percentage.

It is gratifying to note that notwithstanding the considerable increase in importations from the United States the importations from all other countries during the fiscal year 1911 exceeded in value by more than \$8,500,000 such importations for 1910, and were greater than for any year prior to the establishment of free trade.

There is also an increase in the value of importations of all principal classes of commodities, except flour and illuminating oil, the value of which has decreased. As to all other commodities, although there has been an increase in the value of the importations, the percentage of such importations to the total importations has diminished, with the exception of manufactured iron and steel, coal, and live cattle, in which there has been both an increase in value and in percentage.

As in previous years, cotton goods occupy first place among imported articles. The value of the imports of the commodity during the fiscal year 1911 amounted to \$10,305,017, compared with \$8,444,453 the preceding year. Of the total importations, \$4,110,837 came from the United States, as compared with \$508,229 and \$2,043,000, respectively, for the fiscal years 1909 and 1910. England, which for a long time occupied first position among the countries sending cotton goods to the Philippine Islands, has been supplanted by the United States and forced into second place, notwithstanding the fact that the importations from the former country increased 2 per cent over the previous year. China and the British East Indies suffered a reduction of over 50 per cent, Japan and Switzerland show a slight decrease, while Spain and Germany made small gains.

Rice continues to be second in rank of imported products. During the year importations of this commodity amounted to \$6,560,630, as compared with \$5,321,962 during the fiscal year 1910.

EXPORTS.

The total value of exports during the fiscal year 1911 was \$39,778,629, as compared with \$39,717,960 the previous fiscal

year, showing a slight increase. Exports to the United States decreased from \$18,793,678 during the fiscal year 1910 to \$16,813,864. That country, however, still occupies first place, taking from the islands over 40 per cent of the total exports. The United Kingdom, which in 1910 was forced by France from second to third place, has displaced France and again occupies second position, notwithstanding the fact that exports to France have increased from \$6,483,630 during 1910 to \$6,685,823 during 1911, an increase of 3 per cent, the increase in exports to the United Kingdom having been much greater, increasing from \$5,844,432 to \$7,547,706, an increase of 29 per cent. Spain continues to occupy fourth place, exports to that country having increased 10 per cent. British East Indies has advanced from seventh to the fifth place with an increase of exports to that country as compared with the previous year of 21 per cent. The sixth place is held by Belgium with the greatest proportionate increase of 143 per cent. Hongkong has dropped to the seventh place, exports to that country having fallen off 40 per cent. Germany, which last year had the greatest proportionate increase, has during 1911 suffered a decrease of 27 per cent, now occupying ninth place, following China which holds eighth position.

Hemp continues to be the principal export product. The exportation of this commodity during the fiscal year 1911 was 165,649,626 kilos, as compared with 170,788,629 kilos during the previous year. The exports, however, were greater than those of any other year with the exception of 1910. The exportation of this product to the United States has suffered a very considerable decrease, having fallen off to two-thirds of the quantity sent the previous year, 99,305,102 kilos being shipped in 1910, while in 1911 the amount was only 66,545,219 kilos. The average price of this product during the year 1911 has been slightly less than during the preceding year, while the prices for the higher grades have increased.

On the other hand, the amount of copra exported during the year, 115,602,012 kilos, valued at \$9,899,457, as compared with 115,284,851 kilos, valued at \$9,153,951, exported during 1910, shows a slight increase in quantity and better prices for this commodity. The quantity exported as well as the percentage of total exports was greater than that of any preceding year. Exports of this commodity to the United States have increased to a very considerable extent. In 1910 they amounted to 5,538,354 kilos, while during 1911 they increased to 12,240,551 kilos.

The exportation of raw sugar during the past year amounted to 149,376 tons, valued at \$8,014,360, compared with 127,717 tons, valued at \$7,040,690, during 1910, exceeding in quantity that of any other year except 1908, and exceeding in value that of any year since American occupation. Of the total quantity exported 198,926 tons, valued at \$7,144,755, went to the United States, as compared with 94,155 tons, valued at \$5,495,797, for the preceding year.

The exportation of tobacco, cigars, and cigarettes will be covered in that part of this report referring to the bureau of internal revenue.

It will be noted that a difference exists between the 1910 import and export totals as published in the report for last year and as given in the present one. This is accounted for by the addition to the import total heretofore published of \$6,694, representing the value of nondutiable importations by the Philippine Government from coun-

tries other than the United States, and by the deduction of \$989, representing the value of imports of gold and silver bullion. The original export total for 1910 has been changed by adding thereto \$168,892, the value of exportations of foreign merchandise and of gold and silver ore and bullion. These changes were made in order to have the import and export totals in the report of the insular collector of customs agree with those published by the Bureau of Insular Affairs at Washington.

BALANCE OF TRADE.

For the first time since 1904 the balance of trade is against the islands. The total value of imports during the fiscal year 1911 was \$49,833,722, while the total exports amounted to \$39,778,629, showing a foreign trade valued at \$89,612,351, the balance against the islands being \$10,055,093. This difference, however, is really not so great as it at first appears if we take into consideration the amount of \$4,865,933, the value of articles imported free of duty by the Army, Navy, and the Government of the Philippine Islands, and for Government-aided railways, such importations, as above stated, being for the first time included in the figures for the fiscal year 1911. If we exclude the above amount from the total value of importations for the fiscal year 1911, the balance of trade against the islands will be \$5,189,160. This sum is, however, great enough to wipe out the balance in favor of the islands during the period of American occupation and leave a balance against them in the amount of \$1,289,707. The increase in importations is owing to the fact that large stocks of goods were imported during the fiscal year 1911 and are now on hand awaiting purchasers, which will tend undoubtedly to reduce importations during the coming fiscal year. However, the fact that the value of exportations during the fiscal year 1911 was slightly in excess of that of 1910, notwithstanding the remarkable increase for that year, the exportations being the greatest of any year since American occupation, leads us to believe that the balance of trade will not continue against the islands.

CUSTOMS COLLECTIONS AND EXPENDITURES.

The second year of free trade between the United States and the Philippine Islands has served to show that there need be no fear that the customs revenues will be decreased by such free trade.

The gross receipts of the bureau of customs amounted to \$8,678,-810.34, an increase of \$392,736.78 over 1910. Import duties amounted to \$6,877,284.01, an increase of \$122,755.75; export duties, \$1,069,-690.04, an increase of \$144,672.24. The increase from this source is, however, \$119,384.99 greater than shown by these figures, for the reason that of the collections on account of export duties during the fiscal year 1910 that amount was subject to refund, while none of that collected in 1911 is so liable. There is also an increase of collections from all other sources.

The above figures represent all the receipts of the bureau, including the amount accruing to the Government of the Moro Province, the amount accruing to the credit of the appropriation of the bureau, salaries of bonded warehouse keepers, collections on account of extra services of employees, and collections subject to refund.

Of the above amount, \$216,820.22 was collected at the ports of entry of the Moro Province and \$8,461,990.12 at the other ports of the Philippine Islands. The net amount accruing to the Government of the Philippine Islands during the fiscal year 1911 on account of customs revenues available for appropriation is \$8,272,397.78, an increase of \$417,509.95 over the previous fiscal year. The amount credited to the appropriation of the bureau is \$114,947.18, as against \$59,178.50 credited the previous fiscal year.

The expenditures of the bureau of customs during the year in all ports aggregated \$451,669.63, which is \$12,889.02 less than the expenditures for the previous year. The expenditures chargeable to the Government of the Philippine Islands amounted to \$435,947.25, showing a decrease of \$9,744.93. The expenditures in the Moro Province were reduced from \$18,392.90 in 1910 to \$15,722.38 during the fiscal year 1911.

FOREIGN CARRYING TRADE.

An increase is noted in the foreign carrying trade. There were 948 entrances and 884 departures of vessels from all ports, representing an aggregate movement of 3,673,504 registered tons, as compared with 861 entrances and 870 departures, representing an aggregate of 3,375,726 registered tons for the previous year, showing a gain of 297,778 registered tons. The value of the inward cargoes amounted to \$49,833,722, and of the outward cargoes, \$39,778,629, a total of \$89,612,351, and a gain of \$12,826,761 over 1910. British vessels carried 65 per cent of this trade, Spanish vessels 8 per cent, and German 8 per cent. American vessels come next with 7 per cent, showing a slight increase over last year—an increase accounted for by the enforcement of the rule that to be entitled to free entry American goods must come directly to the Philippine Islands without transshipment en route. Forty-one per cent of this foreign trade was with the United States, yet only 7 per cent was carried in American bottoms. On the other hand, while but 15 per cent of this trade was with the United Kingdom, 65 per cent of it was carried in British vessels.

COASTWISE TRADE.

A very considerable increase is also shown in the coastwise trade. The total entrances were 10,751 and the total clearances 10,799, being an increase of 1,488 entrances and 1,493 clearances. There were in commission at the close of the year 168 steamers and 409 sailing vessels engaged in coastwise trade, as compared with 162 steamers and 440 sailing vessels at the close of the previous fiscal year, and 558 small vessels engaged in lighterage and harbor business, as against 596 at the close of the preceding year.

OFFICIAL SHIPPING AGENT.

The office of shipping agent, established on August 1, 1910, has had the effect of creating a better feeling between shipowners, officers, and mariners. Shipment of seamen on interisland vessels is made under the supervision of this official and in accordance with regulations prescribed by the bureau of customs. During the year

1,714 persons registered themselves with the shipping agent as mariners desiring employment, and the records of the office show that during the year 1,379 seamen were shipped on and 1,372 discharged from interisland vessels.

IMMIGRATION AND EMIGRATION.

Fifteen thousand nine hundred and one persons came to the Philippine Islands during the past year, of which number 2,946 were immigrants; and 16,894 departed from the islands, of which 896 were emigrants—a net gain to the islands of 2,050 new settlers. Three thousand two hundred and forty-two Filipinos went to the Hawaiian Islands during the year, a greater number by 338 than during the preceding year. The number of Chinese immigrants during the year was 1,172 and of emigrants departed 276, a gain of 896. The number of Japanese immigrants was 795 and of Japanese emigrants departed 160, a gain of 635.

I concur in the recommendation of the collector of customs for the immediate erection of additional buildings at the port of Manila for the use of the immigration service. The present buildings are frequently crowded and do not afford sufficient accommodations for the care of female aliens. The constantly increasing receipts from immigration sources amply justify this additional expenditure.

REVENUE-CUTTER SERVICE.

The recommendation previously made that a sufficient sum of money be appropriated for the purchase of two revenue cutters suitable for patrol service throughout the entire archipelago is renewed. The only revenue cutters now in the service are the two small vessels known as the *Skua* and the *Sora*, and they are small, old, and practically worn out, and therefore unfit for the service.

PORT OF MANILA.

The business of the port of Manila is constantly increasing. Beginning with January, 1912, the North German Lloyd Steamship Co. proposes to send one vessel a month to the port of Manila, and it is extremely probable that other European lines will follow. This constant increase in business calls for further improvement of the harbor. The collector of customs made recommendations for such improvements in his last year's report, which are renewed in his report for this year. To these recommendations the attention of the Commission is respectfully invited. The collector of customs further recommends in his report for this year that the two present Government piers be connected by a bulkhead or breakwater, which should be located in at least 18 feet of water, that any new piers which may be built in the future be similarly connected, and that there should be constructed on the land adjacent to this bulkhead sheds for handling and storing cargo, which recommendations are concurred in.

The two Philippine Government piers continue in successful operation. They only accommodate vessels carrying cargo from the

United States and the regular Hongkong-Manila steamers. The necessity for two additional piers is evident, and their construction, which is urged by the collector of customs, is recommended.

The collector of customs renews his recommendation made last year with respect to the Pasig River wall. I beg to concur in this recommendation, to which the attention of the Commission is respectfully called.

PORT OF ILOILO.

A suitable customhouse and necessary warehouses should be built at this port to handle the greatly increased business. The present custom house is inadequate and is fast being destroyed by ants. The erection of a new adequate and suitable customhouse at Iloilo at as early a date as possible is recommended by the collector of customs, and the undersigned concurs in his recommendation.

BUREAU OF INTERNAL REVENUE.

COLLECTIONS.

The following is a résumé of the collections made by the bureau of internal revenue during the fiscal years 1910 and 1911:

Items.	1910	1911
Internal-revenue taxes.....	₱13,793,419.46	₱15,655,791.18
United States internal-revenue taxes.....	528,201.15	189,783.91
Opium taxes and fines.....	120,396.52	119,268.11
Weights and measures taxes.....	59,274.08	75,157.27
San Lazaro estate rentals.....	48,271.25	51,468.82
San Lazaro estate, miscellaneous.....	405.00	65.00
Sales of public mineral lands.....	2,753.40	4,115.34
Franchise taxes.....		19,694.29
Total.....	14,552,720.86	16,115,343.92
City of Manila taxes and other revenues.....	2,975,103.68	3,095,783.70
Grand total.....	17,527,824.54	19,211,127.62

Collections under the first eight heads are for and on behalf of the insular government, and those made under the last head are made by the collector of internal revenue as ex officio assessor and collector for the city of Manila.

The above table shows an increase in the collections of the fiscal year 1911 of ₱1,683,303.08, equal to 9.6 per cent, of which the sum of ₱1,056,154.60 is due to certain increases in tax rates and receipts from new sources, and the sum of ₱627,148.48 is due to improved business conditions in the Islands.

The following table shows the collections of internal revenue taxes made during the fiscal years 1910 and 1911 and the increase or decrease for the different items during the last fiscal year:

Items.	1910	1911	Increase.		
			Due to increased business.	Due to increased tax rates.	Total.
Distilled spirits:					
Domestic.....	₱2,269,160.70	₱2,551,501.04		₱282,340.34	₱282,340.34
Imported.....	267,725.10	285,126.19		17,401.09	17,401.09
Wines:					
Domestic.....	35,144.18	47,873.21	₱8,751.00	3,978.03	12,729.03
Imported.....	122,187.82	127,011.15		4,823.33	4,823.33
Fermented liquors:					
Domestic.....	153,480.00	155,500.00	2,020.00		2,020.00
Imported.....	23,921.72	29,358.46	144.80	5,291.94	5,436.74
Manufactured tobacco, smoking and chewing:					
Domestic.....	147,770.33	168,138.51	20,368.18		20,368.18
Imported.....	63,677.98	64,747.27		1,069.29	1,069.29
Cigars, domestic.....	213,546.69	226,630.44	13,083.75		13,083.75
Cigarettes:					
Domestic.....	3,308,804.07	4,067,920.46		759,116.39	759,116.39
Imported.....	576.01	1,657.54	798.54	282.99	1,081.53
Matches, imported.....	77,286.95	87,262.87	9,975.92		9,975.92
Dealers in alcohol and tobacco products.....	513,984.26	516,918.70	2,934.44		2,934.44
Merchants, manufacturers, and common carriers.....	1,537,226.36	1,793,288.14	256,061.78		256,061.78
Occupations, trades, and professions.....	496,977.91	563,102.94	66,125.03		66,125.03
Documentary stamp taxes.....	220,056.35	242,410.62	22,354.27		22,354.27
Banks and bankers.....	188,175.06	223,588.13	35,413.07		35,413.07
Insurance companies.....	20,065.00	31,521.91	11,456.91		11,456.91
Forest products.....	271,581.74	334,763.27	63,181.53		63,181.53
Cedulas personales.....	3,593,196.00	3,883,415.00			290,219.00
Total.....	13,524,544.23	15,401,735.85	1,074,303.40	512,669.22	1,877,191.62
Cigars, imported.....	44.62	21.20			¹ 23.42
Matches, domestic.....	268,760.00	254,000.00			¹ 14,760.00
Miscellaneous.....	70.61	34.13			¹ 36.48
Total.....	13,793,419.46	15,655,791.18	1,074,303.40	512,669.22	1,877,191.62

Total decreases, ₱14,819.90; net increase, ₱1,862,371.72.

The internal-revenue tax on imported and domestic wines and on imported distilled spirits, fermented liquors, chewing and smoking tobacco, cigars and cigarettes, became effective August 7, 1909. The increase in taxes collected on these articles, with the exception of domestic wines, is almost entirely due to the tax being in force during the whole of 1911, while it was in force for less than 11 months during 1910.

¹ Decrease.

According to this table there has been an increase in the collections during the fiscal year of ₱1,862,371.72, or 13.5 per cent, and exclusive of cedula taxes the increase is 15.4 per cent. The increase in collections is largely due to improved business conditions.

Of the total amount of internal-revenue collections during the year there accrued to the insular government ₱8,162,847.76, to provincial treasuries ₱4,452,256.80, to municipal treasuries ₱3,040,686.62, as compared with ₱6,646,004.45, ₱4,232,067.30, and ₱2,915,347.71, respectively for the fiscal year 1910.

The Philippine Commission, under authority of the act of Congress of August 5, 1909, provided in Act No. 1964 that no Province or municipality should receive as its share of internal-revenue collections a greater amount than that received during the year ended June 30, 1909.

The following table shows the collections of the city of Manila taxes and other revenue during the fiscal years 1910 and 1911:

Item.	1910	1911
Real estate tax.....	P1,291,129.62	P1,286,062.07
Matadero receipts.....	190,287.42	199,738.38
Market receipts.....	278,736.85	295,351.25
Municipal licenses.....	243,656.33	220,100.40
Rentals of city property.....	\$1,333.22	26,325.72
Municipal court receipts.....	33,614.95	107,134.32
Pail system.....	69,244.31	69,384.85
Odorless excavator service.....	21,833.00	25,487.00
Building permits.....	17,524.01	22,006.57
Water rents.....	274,976.35	295,561.38
Board of health fees.....	4,409.20	5,348.70
Justice of peace and sheriff's fees.....	15,057.98	16,556.53
Cementerio del Norte.....	20,729.00	24,772.44
Franchise taxes of Manila Electric Ry. & Light Co.....	53,738.42	60,453.32
Other minor receipts, miscellaneous, and internal-revenue dividend.....	378,863.02	442,500.77
Total.....	2,975,103.68	3,095,783.70

COST OF COLLECTIONS.

The cost to the Government of making these collections and enforcing, besides, certain laws, ordinances, and regulations which are not revenue measures was P639,474.31; equal to 3.35 centavos for each peso collected, as compared with a cost of 3.75 centavos for each peso collected during the fiscal year 1910, 4.48 centavos during the fiscal year 1909, 4.9 centavos during the fiscal year 1908, and 5 centavos during the fiscal year 1907. This sum includes P539,474.31 received by appropriation and P100,000 received from the city of Manila for the assessment and collection of city taxes and charges. The above sum, however, does not include the expense of collection incurred by provincial governments.

In addition to the amounts shown above the sum of P23,554.55 was expended from the special opium fund in the enforcement of the law prohibiting the importation, sale, or use of opium except for medicinal purposes, as compared with P33,180 expended for the same purpose during the fiscal year 1910.

DISTILLED SPIRITS, WINES, AND LIQUORS.

Distilled spirits.—The foregoing table of internal-revenue tax collections shows an increase during the fiscal year 1911 in the collection of taxes both on domestic and imported distilled spirits. This increase is due, however, entirely to the fact that the tax of 25 centavos, instead of 20 centavos, on each liter of domestic proof spirits was in force during the whole of the fiscal year 1911, while it was in force only during the last half of the fiscal year 1910; and the tax on imported distilled spirits was in force during all of 1911, while it was in force only after August 7, 1909, during the fiscal year 1910.

The total output from registered distilleries during the year was 10,471,299 proof liters, about 1 per cent less than during the fiscal year 1910 and about 9 per cent more than during the fiscal year 1909. The decrease as compared with the 1910 output is due to the

abnormal removal from the distilleries in anticipation of the increase in the tax rates which became effective during the last half of the year 1910. When it is considered that the distillery owners anticipated a decrease in their output on account of the increased taxes, it is very gratifying to note that the production during the fiscal year 1911 was 9 per cent more than during the fiscal year 1909, when the lower tax rate was in force.

Wines.—The following comparative statement shows the quantity of domestic and imported wines and imitation wines on which taxes were collected during that portion of the fiscal year 1910 beginning August 7, 1909, and ending June 30, 1910, and the fiscal year 1911:

	Containing not more than 14 per cent alcohol.		Containing more than 14 per cent alcohol.		Sparkling wines.	
	1910	1911	1910	1911	1910	1911
Domestic.....	306, 149	456, 303	55, 082	78, 480	.....	.....
Imported.....	692, 898	4, 139, 160	334, 858	95, 744	18, 318	22, 419

Fermented liquors.—Taxes were collected during the year on 4,621,460 gauge liters of beer, of which 3,887,500 liters were of domestic manufacture and 733,960 liters were imported, as compared with 4,435,043 gauge liters tax paid during the fiscal year 1910, of which 3,837,000 liters were of domestic manufacture and 598,043 liters were imported.

Three thousand nine hundred liters of domestic beer were exported during the year, as compared with 1,650 liters exported during the fiscal year 1910. The total output of domestic beer during the fiscal year exceeded that during the preceding year by 52,750 liters.

TOBACCO PRODUCTS AND MATCHES.

Leaf tobacco.—The leaf-tobacco regulations, one of the special objects of which is the improvement of the quality of leaf tobacco, have given the desired results, as in general the quality of the tobacco has been materially improved, chiefly in Cagayan and Isabela Provinces.

The following comparative statement shows the quantity of leaf tobacco produced, the quantity used in the manufacture of cigars, cigarettes, smoking and chewing tobacco, and the quantity exported during the calendar years 1909 and 1910:

[All figures given are for unstemmed leaf.]

	Calendar year.	
	1909	1910
Leaf tobacco on hand by dealers and manufacturers at beginning of calendar year.	<i>Kilos.</i> 9, 416, 627	<i>Kilos.</i> 8, 853, 878
Production.....	24, 009, 227	25, 017, 129
Total.....	33, 425, 854	33, 871, 007

[All figures given are for unstemmed leaf.]

	Calendar year.	
	1909.	1910.
Quantity used in the manufacture of:	<i>Kilos.</i>	<i>Kilos.</i>
Cigars.....	2,677,428	2,943,950
Cigarettes ¹	8,286,386	6,244,637
Smoking tobacco.....	132,640	162,565
Chewing tobacco.....	168,947	196,579
Total.....	11,265,401	9,547,731
Exported in the leaf: ²		
To the United States.....	6,028	5,477
To other countries.....	9,472,579	11,816,875
Total.....	9,478,607	11,822,352
Used for industrial purposes, disposed of through retailers to consumers (no tax is imposed on cigars and cigarettes made by hand by the actual consumers thereof), and shrinkage.....	3,827,908	2,898,745
Total.....	24,571,976	24,268,828
Balance on hand by dealers and manufacturers at the end of the calendar year..	8,853,878	9,602,179

¹ Decrease in cigarettes is accounted for by abnormal increase in production during 1909 in anticipation of increase in tax rate which took effect Jan. 1, 1910.

² There were also exported 189,231 kilos of cuttings, clippings, and waste during 1910.

Smoking and chewing tobacco.—The following comparative statement shows the quantities of domestic and imported smoking and chewing tobacco on which taxes were collected during the fiscal years 1910 and 1911:

[Expressed in kilograms.]

	Smoking.		Chewing.	
	1910	1911	1910	1911
Domestic.....	119,583	152,816	187,060	191,141
Imported.....	94,138	82,201	36,670	52,328

In addition to the domestic smoking and chewing tobacco consumed in these islands on which the tax was paid, during the year there was exported 39,734 kilograms, as against 21,940 for the fiscal year 1910.

Cigars.—The production of cigars during the fiscal year under consideration was 228,251,291, as against 285,561,328 for the previous fiscal year. The domestic consumption during the year amounted to 96,115,525, as against 89,272,890 during the year 1910. The cigars exported to foreign countries amounted to 104,604,170, and to the United States 27,531,596, as against 109,006,765 and 87,281,673, respectively, for the fiscal year 1910.

It is to be noticed that the falling off in the production of cigars is entirely chargeable to the diminished demand for such product in the United States. The opposition on the part of American manufacturers and the great numbers of low-grade cigars sent to the United States immediately after the establishment of free trade are some of the principal causes of the reduced exportation of this product to the United States. During the last few months of the

fiscal year, however, conditions have improved somewhat and larger shipments were made, over 4,000,000 having been shipped to the United States in June, 1911.

Cigarettes.—A small decrease is noticed in the production of cigarettes. During the year 4,094,028,988 cigarettes were produced, as compared with 4,173,507,249 produced during the previous fiscal year. Of this number, 4,058,063,123 were consumed in the islands, as compared with 4,138,647,668 consumed during the preceding year. The exportation amounted to 35,425,865, as against 34,859,581 for 1910.

Matches.—The decrease in the collection of taxes on matches noticed in the foregoing table is due largely to the fact that during the year military post exchanges and other similar organizations have been supplied by the Commissary Department of the United States Army with matches on which no tax was paid, while formerly they purchased directly from manufacturers and importers matches on which tax was paid.

The output during the fiscal year of the one match factory in the islands decreased about 5½ per cent as compared with the output during the previous year, and imported matches, including those brought in from the United States, show an increase of about 13 per cent over the fiscal year 1910.

LICENSE TAXES.

Dealers in alcohol and tobacco products.—The increase in the amount collected during the fiscal year 1910 from these dealers has continued during this year, ₱516,918.70 having been collected, as against ₱513,984.26 for the fiscal year 1910.

Merchants, manufacturers, and common carriers.—One of the most evident indications that the improvement in business conditions which began in the last half of the fiscal year 1909 has progressively continued during the succeeding years is the considerable increase in tax collections from this source during the years 1910 and 1911. The sum of ₱1,793,288.14 was collected during the year 1911, as against ₱1,537,226.36 for the fiscal year 1910, and ₱1,276,577.46 for the fiscal year 1909. Of the amount collected during 1911, 93 per cent was paid by merchants, 5.8 per cent by manufacturers, and 1.2 per cent by common carriers.

An increase in the percentage of taxes collected from merchants and manufacturers of ₱252,171.80, or 17 per cent, is shown as compared with the collections during the fiscal year 1910, and corresponds to an increase of over ₱75,600,000 in the gross value of goods, wares, etc. (exclusive of liquors and tobacco products and all other exports), sold by merchants and manufacturers throughout the islands.

Occupations, trades, and professions.—Of the total amount collected under this head 75.8 per cent was paid by the proprietors of cockpits, 9.6 per cent by lawyers, doctors, civil engineers, and surveyors, and 14.6 per cent by all other occupation-license taxpayers. Collections from owners of cockpits accrued entirely to the respective municipalities in which such taxes were collected. In 527 municipalities the imposition of additional taxes on cockpits was authorized by municipal ordinances. In 107 municipalities no cockpit licenses were issued during the year.

BANKS AND BANKERS AND INSURANCE COMPANIES.

The average monthly deposits with banks, as shown by the amount of taxes assessed thereon, has increased from ₱13,250,000 in the calendar year 1905 to ₱24,500,000 in 1910, not including deposits with the postal savings bank.

According to the taxes assessed and collected, the average capital of the banks increased from ₱8,348,381 for the calendar year 1909 to ₱11,918,765 for 1910. The average deposits increased from ₱21,701,772 to ₱24,661,585, and the average circulation from ₱1,828,224 to ₱2,245,972.

In the above table of internal-revenue taxes collected an increase has been noted also in the business of the insurance companies. Based on taxes paid, the total amount of insurance during the calendar year 1910 is as follows:

	1910	1909
Life.....	₱13,565,211.45	₱14,906,807.65
Fire.....	122,287,938.51	94,279,663.36
Marine.....	104,533,359.79	86,615,650.26
Accident.....	595,000.00	445,500.00

CEDULAS PERSONALES.

The double cedula tax was in force in 33 provinces, the same in which it was in force during the previous fiscal year. Over 88.7 per cent of the cedulae sold during the year were without delinquency charges added.

SAN LAZARO ESTATE RENTALS.

The following is a summary of the work accomplished during the year in connection with the San Lazaro estate:

Sites rented July 1, 1910.....	2,201
Sites rented June 30, 1911.....	2,256
Tenants July 1, 1910.....	1,421
Tenants June 30, 1911.....	1,503
Amount collected, including a miscellaneous collection of ₱65.....	₱51,533.82
Amount delinquent June 30, 1911.....	₱13,438.17

WEIGHTS AND MEASURES.

Weights and measures in the metric system were tested and sealed during the year as follows:

	1911	1910
Steelyards.....	13,220	3,614
Platform scales.....	3,105	1,301
Balance scales.....	4,178	1,167
Linear measures.....	19,690	8,709
Dry and liquid measures.....	178,001	87,463
Total.....	218,194	102,254

OPIUM.

During the year 1,248 persons were apprehended for violation of the opium law, as against 1,740 apprehended during the fiscal year 1910. Seven hundred and ninety-seven were convicted, as against 1,142 convicted the previous year. Thirty-nine were deported, 187 cases were compromised, and 169 cases were pending at the close of the year, as against 38 deported, 220 cases compromised, and 205 cases pending at the close of the fiscal year 1910.

Respectfully submitted.

GREGORIO ARANETA,

Secretary of Finance and Justice.

To the PHILIPPINE COMMISSION,

Manila, P. I.

**REPORT OF THE SECRETARY OF PUBLIC
INSTRUCTION.**

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REPORT OF THE SECRETARY OF PUBLIC INSTRUCTION.

DEPARTMENT OF PUBLIC INSTRUCTION,
Manila, November 6, 1911.

GENTLEMEN: I have the honor to submit, for your consideration, the tenth annual report of the department of public instruction for the fiscal year ended June 30, 1911.

On February 4, 1911, the secretary of public instruction left for a vacation in the United States, from which date the department of public instruction was administered by the undersigned.

BUREAU OF EDUCATION.

LEGISLATION.

The following legislation pertaining to the work of public schools was enacted during the past year:

Act No. 2002, by the Commission, making available ₱1,000 from Act No. 1992 for the purchase of additional land for the Baguio Industrial School.

Act No. 2018, by the Legislature, authorizing municipal councils to appropriate funds for payment of travel expenses of municipal teachers attending vacation institutes.

Act No. 2029, by the Legislature, appropriating ₱1,000,000 in continuance of the so-called Gabaldon law (Act No. 1801) for construction of barrio school buildings; one-quarter of the total to be made available annually, beginning January 1, 1912.

Act No. 2048, by the Legislature, appropriating ₱50,000 for teacher scholarships in insular schools.

Act No. 2049, by the Legislature, appropriating ₱30,000 for student scholarships in the Philippine Normal School and the Philippine School of Arts and Trades.

Act No. 2059, by the Legislature, appropriating ₱500,000 for the construction of insular school buildings in the city of Manila.

Act No. 2061, by the Commission, appropriating ₱60,000 for the establishment of a sales agency. This institution will handle the industrial product of the public schools.

The Legislature having failed to pass a general appropriation bill for the fiscal year 1912, the Governor General, by executive action, has made available for the current expenditures of the bureau during that year the sum of ₱3,610,000, the amount which was appropriated for the support of schools by Act No. 1989.

GENERAL STATEMENT.

The annual enrollment for the school year 1910-11 reached 610,493,¹ as against 587,317 for the preceding year; the highest enrollment in any one month was 484,689, as against 451,938 for 1909-10; the highest average daily attendance for one month was 395,537, an increase of 31,489 over that for the same month of the preceding year. The total number of schools in operation was 4,404, and the total number of teachers on duty at the close of the school year was 9,086, of whom 8,403, or over 92 per cent, were Filipinos. In this large corps, all grades of efficiency are represented, but there has been a general improvement during the past year both in scholastic attainments and in ability to teach. A year ago 25 per cent of the Filipino employees had completed the intermediate grades on instruction. In most school divisions, many young men and women who have completed work of advanced grades, are seeking employment, thereby creating competition, which makes it necessary for the older teachers to continually improve their attainments. It is the policy of the bureau of education to give Filipino teachers of superior attainments opportunity to render service up to the full measure of their ability. Primary instruction, except in a few special schools, is now handled by Filipino teachers. The greater part of the intermediate instruction has, in recent months, been turned over to them, and it will not be long before the bureau will depend upon them solely for all except secondary work. There have been 148 Filipinos employed as supervisors and assistant supervisors during the past year. A few are qualified for secondary work and are so employed.

INDUSTRIAL TRAINING.

Perhaps the keynote of the present administration of the public schools is the stress laid on industrial instruction. The chief problem of the year in this connection has been to standardize the various lines of industrial work throughout the archipelago, to give the schools all over the islands the advantage of the marked success in special lines of work attained in certain Provinces. That the system of industrial training in the schools is bringing results may be seen from the following examples:

School boys in 100 towns of the Philippines are wearing hats made by themselves. The hat exports from the Philippine Islands increased from 621,475 in the fiscal year 1910 to 1,025,596 in the fiscal year 1911. What proportion of this increase is due to school influence can not be definitely stated, but the schools have had much to do with it, and the result is going to be far greater in the future.

Igorot girls weave the cloth and make the clothing which they wear in school.

Probably more than half of the desks and tables in the primary schools of the Philippines have been made by the pupils.

The primary schools of Albay are able to deliver 1,000 salable baskets on a month's notice.

¹ This figure does not include 5,302 pupils enrolled in the schools of the Moro Province whose administration is independent of the bureau of education.

The industrial school at Capiz has introduced and developed the slipper-making industry in that community, and slippers to the estimated value of ₱4,000 were sold during the year.

Through school influence 1,072 gardens were established during the past year at the homes of people in Union Province. In November, 1910, an inspection of Albay Province developed the fact that many vegetables and fruits, capable of easy production in that district, were very scarce or entirely unknown. Small tomatoes and eggplants were sold at prohibitive prices. Fruits also seemed to be unknown, other than the banana. Of a class of 63 pupils only 3 had eaten papaya, and 2 had eaten radishes; but lettuce, ochra, and many other common vegetables and fruits were unknown. After the date of that inspection 470 school and home gardens were developed in that Province, with pronounced effect upon the food supply of the people.

In the non-Christian Province of Bukidnon every school has 4 hectares of land inclosed and under cultivation. Its school farms are models of cleanliness and order, producing an abundance of rice, camotes, and other substantial foods, with which the people were meagerly supplied before these schools were established.

The school farm at Batac, Ilocos Norte, sent to Manila and had on exhibition throughout the week of the 1911 carnival a crop of vegetables superior in size and quality to anything appearing in the Manila markets.

Upon the initiative of the Philippine School of Arts and Trades, and through the agency of provincial trade schools, a type of furniture is being generally introduced equal in finish to anything manufactured by the commercial concerns of this city.

The provincial school of Pampanga exhibited at the last carnival more than 600 samples of jellies, jams, and preserves made from Philippine fruits, as illustrative of practical school work in developing a new industry and new articles of diet for the Filipino home.

The output of embroidery from primary and intermediate schools in these islands is large and of high quality. As the art is further developed, substantial returns will be realized.

These cases will serve to illustrate the sort of thing that is being accomplished in the industrial classes of the public schools.

TEXTBOOKS.

Nearly all of the texts now used in the primary and intermediate grades have been prepared especially for this field by men and women who have had personal experience in Philippine schools. During the year two new books have been introduced—one a so-called "Primer of Industry," a much-needed aid to teachers of the youngest pupils just entering school, the other entitled "Industrial Studies and Exercises," a combined language book and industrial manual for advanced primary grades. Supplementary to the adopted texts, the bureau has found it necessary to issue bulletins from time to time which serve as manuals in special subjects covered inadequately or not at all by the prescribed texts.

INSULAR SCHOOLS.

The Philippine Normal School has continued its development during the past school year along the lines upon which it was reorgan-

ized in 1909. It has come into close touch with provincial conditions, and it has adopted effective means for the preparation of young men and women for teaching under the conditions which prevail throughout the islands. The industrial classes of the normal school are of great assistance to the administration of the bureau in solving the problem of standardization of industrial instruction. The new concrete building, costing with its equipment and improvement of grounds approximately ₱449,000, is now in process of construction on Taft Avenue, and will presumably be ready for occupancy at the opening of school in June, 1912.

The normal school dormitory has accommodated 200 girls, coming, as in former years, from nearly every Province in the archipelago. A new building for the dormitory is projected, this also to be of reenforced concrete construction, and on Taft Avenue.

It is encouraging to note that, whereas the number of graduates prepared to take up teaching was in former years very small, the class of 1911 numbered 55. The class of 1912 will be still larger.

The sum of ₱500,000 was appropriated by the Legislature for the construction of insular school buildings in the city of Manila. The Governor General allotted ₱275,000 of this sum to the new dormitory. The remaining ₱225,000 is inadequate for the construction of the necessary new plant for the Philippine School of Arts and Trades. A petition will therefore be prepared for presentation to the next Legislature asking for further appropriation in the sum of ₱175,000 to complete the required amount.

Acts Nos. 2048 and 2049 make provision for the appointment of 230 pensionados, who are assigned to the two insular schools named above and to the college of agriculture at Los Baños. Most of these young men and women remain in school on pension one year only, though in special cases they are permitted to continue for two or even three years in order to complete a course. This pensionado system is a most valuable agency to the end of bringing the Filipino teaching force up to the desired standard of academic and industrial attainments. The pensionados return to their home Provinces after a period of study in Manila prepared to give instruction to their pupils and to their fellow teachers in special industrial lines such as gardening, lace making, embroidery, and weaving, and in this way they assist in passing on to remote districts approved educational ideas and methods.

The Philippine School of Commerce is growing. This institution, in spite of efficient management, has never been able to graduate a class or even bring one up to the fourth year of its course, because the pupils are in such demand for office work in the Government bureaus and in business houses that to remain in school until their courses are completed seems to them too great a financial sacrifice.

The school for deaf and blind has done excellent work with 31 pupils gathered from Manila and from several provincial districts.

NONCHRISTIAN SCHOOLS.

Act of the Philippine Commission No. 1992 appropriated ₱215,000 for the support of schools in the non-Christian Provinces for 1911. Act No. 1994, by the same body, provided ₱30,000 for construction of school buildings in those areas. Educational interests in the non-Christian Provinces, viz, Mountain, Nueva Vizcaya, and Agusan,

have been advanced during the past year. The Baguio Boys' School, the Bua Girls' School, and the Cabayan Girls' School are doing excellent work. These institutions are now taken as types which may be duplicated at other centers. Emphasis is to be placed in future upon the development of strong central schools rather than the increase in the number of schools in outlying districts.

FILIPINO STUDENTS IN THE UNITED STATES.

Act No. 854 of the Philippine Commission, passed August 26, 1903, embodied legislation providing for the appointment of so-called pensionados for study in the United States. This act was later amended by Acts Nos. 1133 and 1774. Under the provisions of this legislation, appointments have been made by the Governor General, as follows, by calendar years:

1903-----	102	1908-----	8
1904-----	43	1909-----	2
1905-----	39	1910-----	2
1906-----	7	1911-----	1
1907-----	5		

These figures indicate that a total of 209 pensionados have been appointed to this date. The number actually in residence in the United States at the end of each fiscal year was:

1904-----	100	1908-----	77
1905-----	141	1909-----	47
1906-----	175	1910-----	25
1907-----	183	1911-----	16

The expenditures for the support and travel expense of these students, including cost of supervision, have been as follows, by fiscal years:

June 30—		June 30—	
1904-----	¹ ₱96,000.00	1908-----	₱204,747.03
1905-----	¹ 122,000.00	1909-----	94,536.66
1906-----	¹ 153,000.00	1910-----	72,333.54
1907-----	184,583.52	1911-----	33,700.00

Considering all conditions it is believed that the results of the pensionado movement, even in the early years, were more satisfactory than could have been expected. Later appointees have been chosen with greater care than the earlier ones, and were better prepared for advanced study when appointed.

The requirement for appointment during the past two or three years has been completion of the high school course. If the pensionado system is to be continued it is believed that even a higher requirement should be prescribed. For the present, completion of two years beyond the high school course would probably be sufficient. Under such an arrangement the pensionados when appointed would in every case have a good educational basis upon which to build, would be well trained in habits of study, and would be prepared for specialized training in American colleges.

ATHLETICS.

The past year has witnessed a comprehensive movement for placing athletics upon a uniform basis in all sections by means of

¹Approximate.

the Manila Interscholastic Athletic Association and interprovincial associations for conducting meets at various places in the islands, and by circulars of rules, instructions, etc. The growth of baseball in the islands may be judged from a recent contest, in which 1,201 games were played by 482 competing teams. During the past year the Province of Occidental Negros had 110 organized school baseball teams; approximately 1,200 boys played the game regularly on these teams, and as many more in that Province were engaged in the sport in a less systematic way. This is typical of a condition which exists in several other Provinces. Basket ball for girls, which has been introduced in spite of some opposition from the more conservative element of the population, has met with great success and will be a very important step in improving the physical condition of the Filipino people.

TEACHERS' VACATION ASSEMBLIES.

The fourth session of the annual vacation assembly for teachers was held at Baguio from April 17 to May 21, 1911. The camp and mess hall were open for the accommodation of teachers from April 10 to June 5. During the session 229 superintendents, teachers, and employees connected with the bureau enjoyed the benefits of the camp, while 54 others, including families of employees and a few outsiders, were in attendance. Included in the total were 17 Filipino teachers. Every school division, including the city of Manila, the Philippine School of Arts and Trades, and the Philippine Normal School, was represented at the assembly. Instruction was offered in Spanish and minor industries, and courses of university extension lectures were given by Dr. Francis W. Shepardson and Dr. John Paul Goode, of the University of Chicago. The subjects of the lectures by Dr. Shepardson were of a historical and political nature, while those of Dr. Goode were on industrial, commercial, and geographical problems. These lectures were so highly appreciated by, and were of such undoubted benefit to, the teaching force that lectures by prominent educators from the United States should become a permanent feature of the teachers' assembly.

SCHOOLHOUSE CONSTRUCTION.

In previous years funds for the construction of intermediate, secondary, and industrial schools have been provided by Acts Nos. 1275, 1580, and 1688. These funds are now all allotted and the construction work made possible under these acts is nearly completed.

It was found that funds provided in the acts above mentioned were inadequate for the construction of necessary buildings for central schools, particularly the primary schools, in the larger towns and provincial capitals. To meet the needs in these places ₱100,000 was appropriated by Act No. 1954 and an equal sum for the same purpose by Act No. 1988. With these funds several large buildings have been authorized for construction. It is proposed to allot the balance for the erection of substantial, commodious central schools in provincial capitals which are able to meet the requirements. Act

No. 2029 provides an additional ₱1,000,000 under conditions almost identical with those of Act No. 1801.

While the bureau of education has been able to do far more in construction work during the past year than heretofore, there have been very serious and costly delays, due largely to the fact that it has been found impossible to secure an adequate supply of lumber.

In the annual report of the director of education will be found a detailed statement of the work of that bureau for the past year.

PRIVATE SCHOOLS.

The work of standardizing the private schools of the islands, which was begun a year and a half ago, has advanced rapidly during the past year. The old Spanish bachelor of arts course, which was in effect in practically all the private schools and colleges throughout the islands up to March, 1910, varied greatly in length, but the degree of bachelor of arts was generally given in about eight years. Now nearly all of the colleges are complying with the Government standard. The course of instruction has been raised from 8 to 13 years and includes all the subjects required in the Government schools. This standard, which is two years below the course required for the bachelor of arts' degree in the United States, is about equal to the German Gymnasium or the French Lycée, and seems to be the best fitted to the needs of the islands.

English is the official language in all the primary grades of the colleges approved by the Government. Seventeen of the approved colleges are giving all of the intermediate work in English; nine are giving all the primary, intermediate, and secondary work in English; and two are giving all courses, including the college course, in English. In addition to this, many colleges not yet approved by the Government are doing all of their work in English.

Throughout the islands there are a large number of institutions calling themselves schools or colleges which do not conform to the Government course of instruction and whose teaching is practically worthless. Institutions of this kind which can not be controlled under the present law are a menace to the educational progress of the islands and deceive well-intentioned people whose children, after a few years' study, graduate with a degree of bachelor of arts, only to find that the degree is valueless and the education received practically so.

In most of the private institutions for boys very little, if any, industrial work is done, although a high grade of industrial instruction is given at one private school. In the schools for girls a great deal of sewing and embroidery is taught and three or four of these schools give regular courses in domestic science. The Belgian sisters have organized industrial schools in Tagudin, Bontoc, and Manila, where a very successful plan has been adopted to accomplish their object of teaching useful work to young girls, such as sewing, embroidery, and lace making. The materials necessary for this work are furnished by the schools, the pupils being paid cash for every salable article which they make. The largest school of this kind is at Tagudin, where some 800 girls are at work making Brussels lace, etc. During the past year these girls made and sold a large amount of laces, embroidery work, and clothing for children, and the sisters

in charge of these schools have made contracts to deliver large quantities of these articles to commercial houses in the United States and Europe.

In conclusion, it may be said that the progress made by the private colleges has been more rapid than was expected when the work was begun some 18 months ago. It was believed then that in five years the end desired could be reached; it now appears that if the present progress continues the goal will be reached before this time expires. The great majority of the colleges are doing everything within their power to accomplish the desired results; the few isolated exceptions are hardly worthy of mention. When one stops to consider the fact that 49 colleges are now using the Government standard of instruction and are teaching all the primary, and in many cases all of the intermediate, grades in English with English textbooks, one can not help seeing a bright future ahead for the private school system of these islands.

The report of Mr. P. S. O'Reilly, who is in charge of the work among the private institutions, contains a detailed discussion of the results attained during the year.

BUREAU OF AGRICULTURE.

On September 13, 1911, Dr. G. E. Nesom, who had been director of agriculture for nearly six years, resigned his position in order to engage in the sugar business in the Philippine Islands, and Mr. Frederic W. Taylor has been appointed director of the bureau.

RINDERPEST.

During the past year the chief efforts of the bureau have been given to the rinderpest campaign, about 50 per cent of the entire funds of the bureau devoted to this purpose and the veterinary corps largely increased. At the beginning of the fiscal year 1911 there were on duty 41 veterinarians, 6 American live-stock inspectors, and 56 Filipino live-stock inspectors. On June 30, 1911, there were 47 veterinarians, 1 veterinary pathologist, 1 veterinary entomologist, 56 American live-stock inspectors, and approximately 300 Filipino live-stock inspectors.

The following quotation gives an idea of the rinderpest situation in the fiscal year 1910:

Fifteen Provinces and 204 municipalities were at one time or another during the year reported as having been freed from rinderpest. In many instances, however, the freedom lasted only a few days, the disease again making its appearance, and upon its extermination the Province or municipality being again reported clean.

After some years of scattered work of this sort, it became evident that no great advance was being made and that some change in method was necessary. In July, 1910, Dr. A. R. Ward, of the University of California, was appointed chief veterinarian and undertook the organization of a systematic campaign against the rinderpest. After exhaustive investigation the conclusion was reached that under the conditions existing in the Philippines, the use of antirinderpest serum was impracticable, and it was discontinued. Following the discontinuance of the use of serum, the effort to con-

trol rinderpest was centered upon the object of keeping animals separated from one another and upon detecting the diseased animals, so that they might be placed under restraint in corrals. It also became evident that with the forces available it was impossible to combat the rinderpest in all parts of the islands at the same time. It was, therefore, decided to concentrate the total available force of the bureau of agriculture in the Province of Pangasinan, and to call on the constabulary and scouts for any aid which they could give in maintaining the necessary quarantine. Maj. Gen. J. Franklin Bell, commanding the Philippine Division of the United States Army, appreciating its importance, made possible the work which has so far been done by assigning 1,200 scouts, 41 cavalrymen, and 5 veterinarians for duty with the bureau of agriculture. Owing to the enthusiasm and fine discipline of this force, the bureau of agriculture has been able to maintain an effective quarantine over a large part of the Province of Pangasinan, and has gradually succeeded in wiping out rinderpest from the entire eastern portion of the Province and as far west as Lingayan. A similar campaign was inaugurated in the island of Siquijor, which also has resulted successfully. The difficulty, however, remains that in this country, which is entirely unfenced, if the strict quarantine, which can only be maintained by a military force, is withdrawn; a single infected animal may enter clean territory and reinfect the entire district, leaving the whole work to be done again. Another great difficulty encountered in the effort to suppress rinderpest is the fact that, in spite of its destructive history of hundreds of years, the cause of the malady, the methods by which it is carried, the period at which it is most infective, and the duration of the period of infectivity are still questions to be definitely determined. In order to get some light on these problems the serum laboratory at Alabang was converted into a research laboratory, and the results obtained, which so far have been largely at variance with the principles formerly followed in the Philippine Islands, have been very successfully applied to the work in the field. It was shown from experiments conducted at Alabang that the sick animals cease to be dangerous to others shortly after the diagnostic symptoms are fully developed, and that the most infective period of the disease is in its early stages when the symptoms can not be recognized. As it was impossible, under the conditions prevailing in this country, to determine what animals had been in contact with the diseased animal, in order to slaughter them as well as the sick animal, the system of slaughtering, which has been successful in other countries, was, after a short trial, abandoned as impracticable.

Rinderpest has shown a tendency to spread extensively during the year, especially from central Luzon south toward Manila, in the islands of Leyte, Cebu, and Siquijor, and in the Provinces of Oriental Negros, Surigao, Cagayan, and Isabela. The total number of municipalities infected at the close of the year was 81, as compared to 25 reported at the close of the previous year; but owing to the more effective methods employed for detecting and reporting disease at the end than at the beginning of the fiscal year, it is impossible to judge anything from these figures. However, with the knowledge which has been gained from the experimental work and with the system and effective fighting force which are being daily improved,

as a result of experience, it is hoped little by little to eradicate this worst of cattle diseases from the Philippine Islands.

CONTAGIOUS PLEURO-PNEUMONIA.

Shortly before the beginning of the fiscal year contagious pleuro-pneumonia was discovered in cattle imported from northern Australia, but, fortunately, these animals were imported for meat purposes and no evidence has been found to indicate that the disease has been permanently introduced into the Philippines. A general order was immediately issued to prevent further importations, but this has since been modified to allow the importation of Australian cattle to an isolated spot on Sisiman Bay, where they are slaughtered and the meat brought in boats to the city of Manila, and also to permit the importation of dairy and breeding stock under very strict conditions, which are enforced with the assistance of the officials of the Department of Trade and Customs of the Australian Government.

Surra has been found in nearly all of the Provinces of the islands at some time during the past year, but as cattle and carabao show a great resistance to this disease, its disastrous results being largely confined to horses, the losses have not been as great as they would be otherwise. It has been impossible to make any great efforts to fight the surra, as the entire veterinary force of the bureau of agriculture has been occupied in the rinderpest campaign.

The foot-and-mouth disease has appeared in a number of places, but in a very light form, which has caused only slight loss. A few cases of glanders, anthrax, rabies, and hemorrhagic septicemia have been discovered, but by far the larger part of the deaths—9,575 cattle and 1,293 horses—may safely be attributed to rinderpest in the case of cattle and surra in the case of horses.

LOCUSTS.

The damage done by locusts during the year has been comparatively small and the measures taken for the extermination of this pest are beginning to show results. During the year locusts have been reported from something over 100 municipalities and barrios. The original law has been amended so that it is much more effective, and this, with the circulars sent out from time to time from the executive bureau, have brought home to the local planters the fact that the locust pest may be greatly mitigated by proper methods and cooperation in the work.

ANIMAL HUSBANDRY.

The work of the division of animal husbandry includes the supervision of bureau stock farms, public breeding work in the Provinces, the purchase and sale of live stock, and animal-feeding tests and breeding experiments. There have been maintained during the year three stock farms, one at Alabang, in Rizal Province; one at Trinidad, in the Subprovince of Benguet; and one at La Carlota, in Occidental Negros. The production of good breeding animals for the use of the general public is the chief object in maintaining and operating these stock farms. The native horses, although inferior in size, are

superior in quality of limb, constitution, endurance, and adaptability to local conditions, and the effort of the breeding work has been, therefore, primarily to increase the size, and secondarily to improve the defects in the formation of the native ponies. The ideal method of doing this is by careful selection, breeding, and feeding of the individuals of the native breed without the introduction of outside blood, but as this will require considerable time and the demand for immediate improvement is so great it has been considered advisable to introduce some Arabian blood, which is the best animal for the purpose, owing to its size and to the fact that the native ponies carry a strain of this blood.

Work along similar lines is being done to improve the breed of cattle, milk goats, swine, etc.

To assist in the investigation of the possibility of producing locally a sufficient supply of satisfactory forage for native and imported live stock, Prof. C. V. Piper, agrostologist of the United States Department of Agriculture, came to Manila in February, 1911, remaining for nearly five months. During this time he visited many of the Provinces, tested forage plants at the stations of the bureau, introduced a number of new forage plants, and outlined the work to be carried on during the coming year.

On September 1, 1910, the Secretary of War appointed a board of officers of the Government of the Philippine Islands and United States Army to investigate and report upon the present cost of forage for the use of the Army in the Philippine Islands, and to investigate the advisability of using, in whole or in part, native beef for the supply of the United States Army in the islands. The first meeting of the board was held on September 5, 1910, and its investigations, which continued to the end of the fiscal year, provided much valuable data.

Investigations have also been made in regard to the production of rice and various fruits suitable to the climate, such as papaya, aguacate, vegetables, fibers, rubber, kapok, coffee, and other products which might be advantageously grown in the islands.

The Philippine Agricultural Review has been published during the year, with a view to covering more thoroughly than in the past the subject of the Philippine agriculture, and it has been composed almost entirely of original material prepared to a great extent by employees of the bureau of agriculture. The demand for this publication has now become so great that it is only a question of time when some charge will have to be made for its distribution.

A full description of the work of the bureau of agriculture during the year will be found in the report of the director of the bureau.

BUREAU OF SUPPLY.

On March 15, Maj. E. G. Shields, the purchasing agent, returned from leave of absence and resumed direction of the bureau of supply, relieving Mr. William T. Nolting, special agent of the Governor General, who had been acting purchasing agent during Maj. Shields's absence.

On June 30, 1911, there was in stock merchandise to the value of ₱1,427,933.45, as compared with ₱1,546,721.20 on June 30, 1910, a decrease of ₱118,787.75.

The total purchases during the fiscal year 1911 amounted to ₱6,139,707.41, an increase of 15.36 per cent, as compared with the total of purchases during the fiscal year 1910 of ₱5,322,143.94. Supplies to the value of ₱3,812,545.44, 62.10 per cent of the total, were purchased in the local market; purchases in the United States amounted to ₱2,126,406.11, 34.63 per cent of the total, and supplies were purchased in foreign countries to the amount of ₱200,755.86, 3.27 per cent of the total. The proportion of funds actually expended in Manila is even greater than the figures indicate, as cable tolls, exchange, lighterage, arrastre, duty, revenue taxes, and other charges in Manila are included in determining the value of importations.

During the year a number of changes have been made in the bureau of supply, the most important of which is the "direct order and payment system." This plan provides that the bureau of supply shall contract with local dealers for supplying all the requirements of the Government for certain designated lines, such as commissaries, typewriters, pine lumber, etc., for stated periods of six months or one year. The bureaus, offices, or departments interested order direct from the contractors and make settlement for goods so ordered. When the purchases made are in excess of ₱50, the bureau of supply is required to inspect the supplies to be delivered. For all services the bureau of supply receives 2 per cent surcharge instead of 10 per cent, as formerly, when the supplies were purchased as called for and delivered by this bureau. The new plan is a direct saving to the various bureaus, and its scope is being gradually increased, as assurance is received that the merchants will carry the necessary stock to meet the demands of the Government.

On May 22, 1911, Executive Order No. 26 was issued by the Governor General, revoking the special authorities given a number of the bureaus to make purchases without the intervention of the bureau of supply, providing rules under which direct purchases may be made and establishing three classes with surcharges of 1, 2, 5, and 10 per cent, respectively, instead of a uniform surcharge of 10 per cent. Although this is a considerable reduction in the charge made by the bureau of supply, it is expected that the increase in the amount of business done, due to the revocation of the special authorities to purchase direct, will prevent any great reduction in the income of the bureau.

A series of experiments extending over two years has shown the expense of operation, and maintenance of electric automobile trucks is very much less than it is in the case of horse-drawn vehicles, and the service rendered much more satisfactory. It has been decided to displace the animal transportation of the bureau by installing 14 additional electric trucks, which have been ordered and should shortly be in service.

Owing to the inability of the local lumber dealers to supply native lumber in sufficient quantities to fill the requirements of the Government for the construction of school buildings and other public works, serious and expensive delays have been occasioned. To clear up the situation and avoid a possible repetition in the future, 1,000,000 feet of clear redwood lumber was purchased for immediate use, and plans have been made for the establishment of a lumber yard to carry, under proper sheds, from 3,000,000 to 5,000,000 feet of lumber

cut to dimensions. Thus the Government will purchase standard sizes of certain classes of native lumber which will be seasoned in the yards of the bureau of supply and provide a reserve to be ready for all demands. This also will be of benefit to dealers in native lumber, as it will provide an immediate market for much of their product.

DIVISION OF COLD STORAGE.

The gross earnings for the fiscal year were ₱570,733.14, operating expenses ₱330,079.55, leaving net earnings of ₱240,653.59. The decrease of ₱96,532.88 in gross earnings from the previous fiscal year was principally due to the reduction of 25 per cent made in the price of ice on July 1, 1910.

BUREAU OF PRISONS.

On June 30 the prison population of the Philippine Islands was divided as follows:

Bilibid Prison	2, 673
Iwahig Penal Colony	1, 063
Working on Corregidor	999
Working in Bagulo	222
Luneta Police Station	25
San Lazaro Hospital	52
Hospicio de San José	11
Constabulary	20
Provinces (insular)	6
Confined in provincial jails	1, 465
Total	6, 536

The total number of insular and provincial prisoners on hand June 30, 1910, was 6,546, while on June 30, 1911, as shown above, 6,536.

The number of insular prisoners on hand June 30, 1910, was 4,952, and on June 30, 1911, 5,071, an increase of 119 over the preceding year. The average number of insular prisoners confined during the year was 5,008.42. The average number confined during the fiscal year 1910 was 4,852.32, making an increase in the average number confined of 156.

The number of provincial prisoners on hand June 30, 1910, was 1,594, and on June 30, 1911, 1,465, showing a decrease of over 8 per cent.

BILIBID PRISON.

The number of prisoners in Bilibid Prison on June 30, 1910, was 2,657, and on June 30, 1911, 2,673.

The following changes in prison population of Bilibid occurred during the year:

On hand June 30, 1910	2, 657
Received by commitment	3, 865
Received from capture	2
By transfer from other stations	1, 008
	7, 532
Released by expiration of sentence	2, 767
Released on bond	143
Released by order of the court	19
Cases dismissed	63

Released by payment of fine.....	90
Satisfaction of fine and sentence.....	8
Presented cedula.....	62
Pardoned conditionally.....	225
Pardoned unconditionally.....	22
Habeas corpus.....	5
Deported.....	50
Executed.....	8
Died.....	89
Escaped (from police).....	1
Transferred to other stations.....	1,307
	<hr/> 4,859
On hand June 30, 1911.....	2,673

There has been a decrease in the convictions for violation of the opium law during the past year of 65 per cent. Convictions for the crime of brigandage have decreased 45 per cent, convictions for the crime of falsification of public documents and misappropriation of public funds have decreased over 90 per cent, and convictions for theft have decreased 16 per cent. The only practical increase in convictions are those in violation of the cedula law, which increased 76 per cent.

The conduct of the prisoners confined in Bilibid has been such as to reduce the number of punishments 50 per cent over those of last year.

MAINTENANCE.

The gross per capita cost of maintenance during the year, which includes all expenditures for salaries and wages of officers and employees, subsistence, office and prisoners' supplies, illumination, burial expenses, hospitals, gratuities, transportation of discharged prisoners to their homes, general repairs and improvements, was ₱132,198, or a daily gross average per capita cost of maintenance of ₱0.3622. This includes Bilibid Prison, Iwahig Penal Colony, and the cost to the bureau of prisons of Bilibid prisoners maintained at other prison stations.

The daily gross per capita cost of maintenance at Bilibid proper was ₱0.3457 per day, a decrease over the gross cost of maintenance for the prior fiscal year of about 8 per cent.

The daily gross per capita cost of maintenance for the year at Iwahig Penal Colony was ₱0.4256, an increase over the prior year of 14 per cent.

The daily net cost of maintenance per capita at Bilibid was ₱0.3137 and at Iwahig ₱0.3979.

SUBSISTENCE.

The daily average per capita cost of subsistence for prisoners during the past year has been as follows:

	American and European.	Filipino and Asiatic.
Bilibid.....	₱0.34037	₱0.13948
Bilibid Hospital.....	.35584	.35584
Iwahig Penal Colony.....		.14281
Corregidor.....		.13298
Baguio.....		.17236

HEALTH.

Health conditions have improved during the past fiscal year, the number of deaths being 89, as against 124 for the preceding fiscal year, with practically the same population.

SCHOOLS.

There has been a marked advance in the progress of the school section during the last fiscal year. The total number of students enrolled on June 30, 1911, was 1,599. The annual examinations just completed have resulted in the promotions of about 34 per cent of the entire enrollment, as follows:

From alphabet to beginners' chart.....	196
From beginners' chart to advanced chart.....	74
From advanced chart to first-year book.....	106
From first-year book to first reader.....	50
From second to third reader.....	38

When it is understood that these prisoners receive but one hour's instruction per day, that only a very small per cent of them can read, write, or speak the English language upon entering, the advance along this line is of the most encouraging nature.

All of the force in the school—superintendent, teachers, and instructors—are prisoners.

INDUSTRIAL DIVISION.

The total product of the industrial division for the fiscal year is \$306,104.73 and the net cost shown on the books \$260,580.32, making a net profit of \$45,524.41. The sum of \$260,580.32 given as net cost includes \$41,173.96 paid by the industrial division to the bureau of prisons as wages for the prisoners working in the shops.

Of the total manufactures by the industrial division, \$236,297.28 was for the Government, and \$69,806.75 for stock and public.

This division has been of great value to the institution in the training of prisoners in various industries and has shown marked advancement.

The prisoners become interested in their work and many of them secure positions immediately upon leaving the prison. There is a demand at all times for discharged prisoners who are skilled mechanics, and there has been no difficulty in procuring positions for this class.

PROVINCIAL PRISONS.

The condition of the provincial prisons during the past fiscal year has improved greatly. This is largely due to the system of inspection of provincial prisons now in force, through the courtesy of the bureau of constabulary. Practically all of the provincial prisons are inspected monthly by constabulary officers and a report made to the bureau of prisons of such inspections and of any defects found by them. These have been gradually corrected until now nearly all of them are using regular uniforms for guards and prisoners, buildings have been put in good condition, better discipline maintained, and records are kept in much better shape than previously.

IWAHIG PENAL COLONY.

On June 30, 1910, there were 973 colonists at Iwahig. There were sent there during the year 327; 171 were returned on account of expiration of sentences, 4 for bad conduct, 8 for medical treatment, 1 for trial, 29 died; leaving the number on hand June 30, 1911, 1,053, and 34 free colonists; making a grand total at Iwahig of 1,087. There were also 32 families of colonists present on that date.

The superintendent of Iwahig Penal Colony, Mr. C. H. Lamb, was taken seriously ill in February, and after a partial recovery went to the United States on vacation leave, where he is now engaged in making a study of reformatory institutions. Mr. C. F. Vance, the assistant superintendent, has been acting as superintendent since that date.

The reservation now consists of 468,710,673 square meters of land, a large part of which is mountain ranges, heavily timbered, and jungle. At the present time there are under cultivation about 500 hectares of land. This is planted in rice, corn, gabi, peanuts, beans, and other food products. There are about 22,000 coconut trees growing and many other valuable food plants and fruits.

There is a sawmill capable of turning out 10,000 board feet per day, and with the valuable timber on the reservation, it is expected that this will be very productive. There is a brick kiln in full operation and it is intended to replace the temporary buildings occupied by the officers and colonists with brick structures.

Of the 1,053 prisoners, one-third are sentenced for murder, 423 for bandolerismo, and the rest of the crimes are those in which the sentences run from 5 to 20 years. There are no guards nor arms on the reservation, and there are but 4 American employees, 15 Filipino assistants, all but 1 of whom are ex-prisoners.

It can thus be seen that Iwahig Penal Colony as an example of advanced penology has been a remarkable success. It remains now to put the colony on such a firm economic basis that it will become in the near future entirely self-supporting.

I repeat the earnest recommendation made last year by the secretary of public instruction that a law dealing with habitual criminals be enacted, the need for which may be seen from the following record of criminals convicted several times; 176 prisoners were sent to Bilibid in the past year who had more than 1 conviction; 4 had been convicted 10 times, 2 convicted 13 times, 1 convicted 18 times, 1 convicted 19 times, and 1 convicted 23 times. It is believed that an habitual criminal act would be of great value in these cases.

Full details of the operation of the bureau of prisons are contained in the report of its director.

BUREAU OF PRINTING.

The total production of the bureau of printing increased from ₱602,215.85 for the fiscal year 1910 to ₱640,105.19 for the fiscal year 1911, or an increase in value of ₱37,889.34, notwithstanding a substantial reduction in the scale of prices made on July 1, 1910. The cost of equipment and supplies on hand at the end of the year amounted to ₱782,224.53, not including public documents for sale to the value of ₱140,099.43.

PERSONNEL.

There were 407 employees on the rolls on June 30, 1911. Of these, 377 were Filipinos, 27 Americans (2 administrative, 17 craftsmen instructors, technical; 5 clerical, 2 inspecting watchmen, 1 foreman of laborers), 2 East Indians, and 1 Chinese. It will be noted that Filipinos constitute 92.62 per cent of the personnel of the bureau.

THE BUREAU OF PRINTING AS A TRADE SCHOOL.

At the close of the year 91 apprentices were being instructed in every branch of letter-press printing and the auxiliary trades of machinist, electrician, and engineer. This is an increase of 12½ per cent over the previous year. During the same period 112 advances in apprenticeship classification were made and 21 apprentices graduated as junior craftsmen. The apprentices are required to attend public night school, so that they acquire a knowledge of the English language along with the trade specialties, which is a necessary concomitant, since all instruction in this bureau is given in English. In some instances apprentices possess sufficient knowledge of English to be excused from night-school attendance, but in all such cases they are required to read standard English works and make periodical reports of such reading, specifying the book by title and the number of pages read. Efficiency records are kept and discipline is maintained by a system of commendatory and adverse reports, which result in letters of appreciation for meritorious work and written reprimands in cases of carelessness, insubordination, or infractions of office rules.

Every opportunity for the advancement of the Filipino employees has been given, and their services utilized wherever possible. Examinations have been prepared in the hope that they will qualify as assistants to the foremen, with the ultimate view of their succeeding to positions held by American employees.

The present building of the bureau of printing grows more inadequate each year and it is hoped that within a short time it will be able to construct a new building.

The report of the director of printing explains in detail the financial condition of the bureau.

Very respectfully.

W. CAMERON FORBES,
Acting Secretary of Public Instruction.

To the PHILIPPINE COMMISSION,
Manila, P. I.

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